

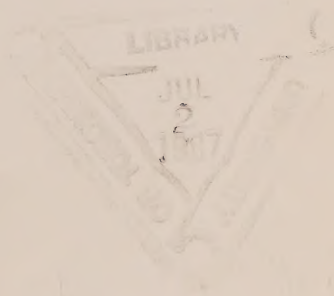
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Local Government Finance in Ontario

1980



The Honourable Claude F. Bennett
Minister of Municipal Affairs and Housing

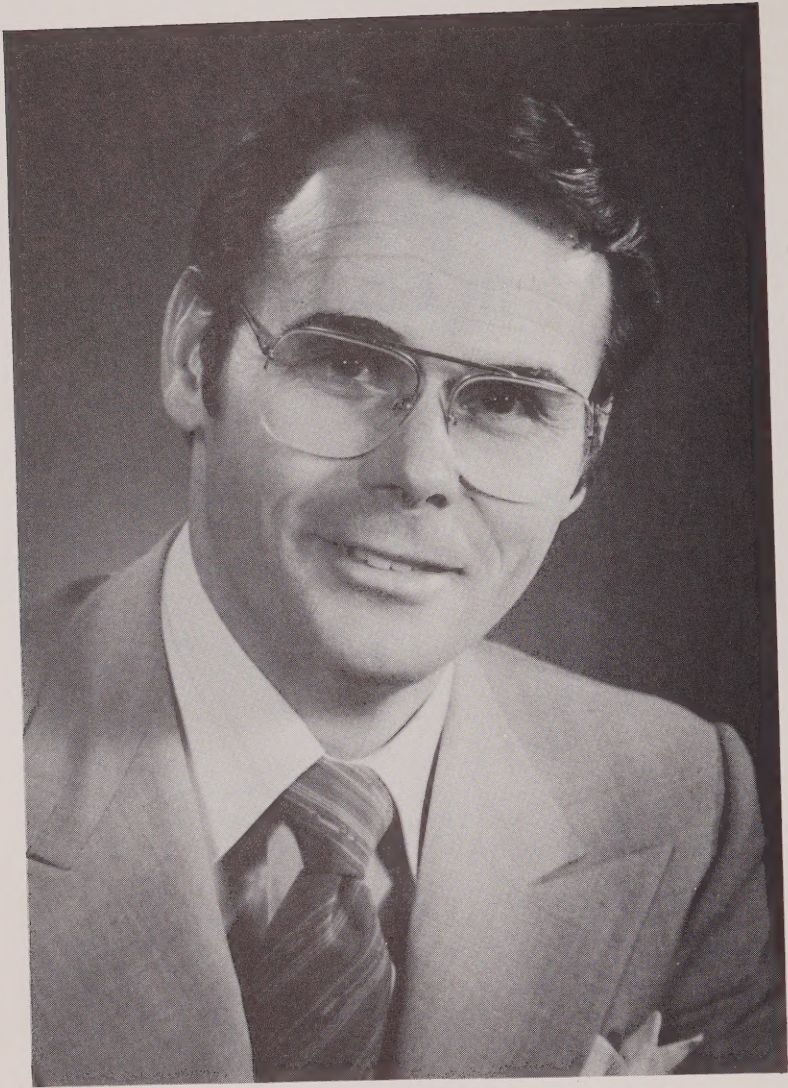


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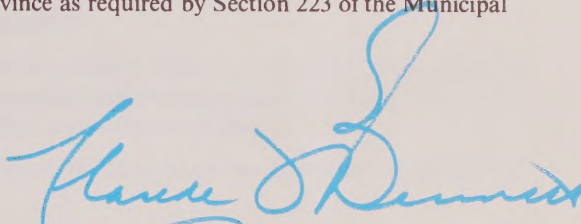
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Ministry of Municipal Affairs and Housing
Mowat Block, Queen's Park,
(416) 965-1074

Preface

This publication presents the financial statistics of local government in Ontario in 1980. It follows the same format as the 1979 publication entitled "Local Government Finance in Ontario, 1979" and provides sectoral and trend analysis on information for the year 1980 and the preceding years from 1977.

These analyses of information reported by municipal governments are a continuation of the effort by the Government to provide readily available information on the financial and fiscal performance of the local government sector.

This study includes a report of financial performance of local government in 1980, a review of the Unconditional Grants Program and appendices. Appendix A summarizes local government finance by upper tier in the Province as required by Section 223 of the Municipal Act.



Claude F. Bennett
Minister of Municipal Affairs and Housing

Introduction

This publication presents the financial operations of local government in 1980, an analysis of sectoral trends in the local sector compared to previous years and a review of the Unconditional Grants Program.

Part I provides an analysis of key local government financial data for all local government in aggregate and for six categories of municipalities in the province. These categories refer to types of municipalities which are defined according to municipal structure and location.

Part II presents a review of the Ontario Unconditional Grants Program. The history of the Program is reviewed and the 1982 grant structure outlined.

Appendix A offers a summary by upper tier of the financial statistics of all municipal governments in Ontario (school boards excluded).

Detailed information for Part I only is available from the Ministry's data bank. In general, detailed or summary data will be provided free of charge but the Ministry reserves the right to recover costs of meeting requests for large volumes of data.

Requests for detailed information should be directed to the Municipal Management Policy Branch at 416-965-2265.



G.L. Carr
Director
Municipal Finance Branch

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**PART I. LOCAL GOVERNMENT FINANCIAL
PERFORMANCE 1980**

Chapter 1

1980 Local Sector Financial Performance

Socio-Economic Highlights

The economic environment in Ontario in 1980 was characterized by little real growth and increasing inflationary pressures after a number of years of relatively moderate price increases. The consumer price index rose by 10.1 percent, the greatest annual rate since the 1975 increase of 10.8 per cent. This increase was almost matched by the gains in average income per household which rose by 9.8 percent. At the same time, the GPP increased by only 0.2 percentage points higher than the rate of price increase. The unemployment rate in Ontario, which is always lower than the national average, increased from 6.5 percent to 6.9 percent while the rate of new job creation fell to 1.9 percent from the 1979 rate of 4.4 percent.

Socio-Economic Characteristics

Table I-1

	1977	1978	1979	1980	1980/77 % Change	1980/79 % Change
Population (000)	8,274	8,346	8,384	8,480	2.5	1.1
Households (000)	3,052	3,135	3,199	3,245	6.3	1.4
Total Equalized Assessment (\$M)	83,300	87,310	89,900	92,536	11.1	2.9
Average Income/ Household (\$)	21,200	22,510	24,600	27,000	27.4	9.8
Gross Provincial Product (\$M)	82,000	88,900	99,600	109,899	34.0	10.3
Consumer Price Index (1971=100)	160.8	175.2	191.2	210.6	31.0	10.1
Ontario Unemployment Rate (%)	7.0	7.2	6.5	6.9		
Prime Interest Rate (%)	8.3	11.7	15.0	18.4	121.7	22.7

The population of the Province continued to grow at a minimal rate, increasing by just over one percent between 1979 and 1980. The rate of household formation which had been averaging over 2.0 percent in previous years, weakened in 1980 to an annual rate of 1.4 percent. The local sector revenue base measured by total equalized assessment, continued to grow at a reasonable rate.

Total equalized assessment presented in the above table for the period 1977-80 reflects the application of constant equalization factors to local assessment. However, in 1980, the Province revised the equalization factors which resulted in a substantial increase in the actual level of equalized assessment. Using the factors for 1980, total equalized assessment rose to \$197,068 million. The growth in the assessment, using constant factors, was 2.9 percent compared to 3.9 percent in 1979. The equalization factor relates local assessment to market value. Therefore, the introduction of updated factors, after a ten-year freeze, naturally would reflect the dramatic increase in property values during the period 1970-1979. The frozen factors were applied to the 1980 local assessment to provide a comparable figure which would show real growth in assessment instead of the combination of changing prices and growth shown by the new factors. The dual figures will be provided in future issues of this publication to maintain the continuity of data.

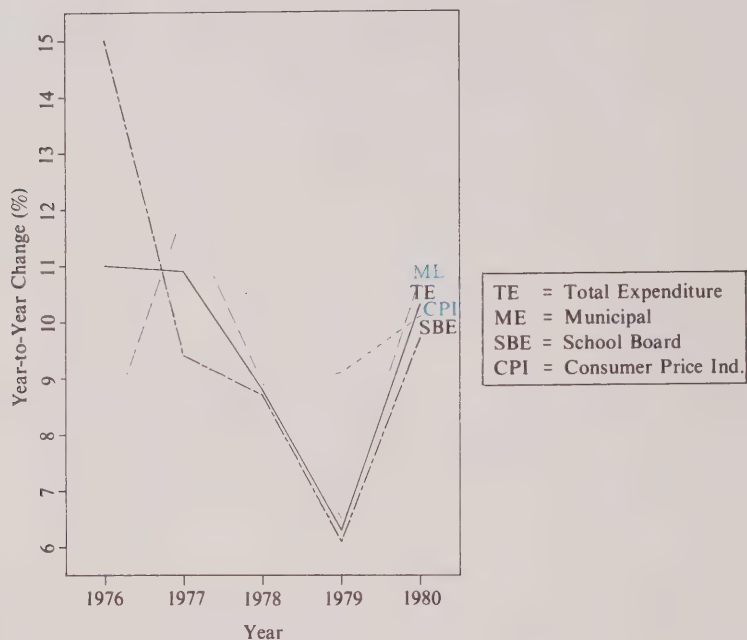
Expenditures

The rate of growth of local government expenditures, which had gradually fallen from a high of 20.0 percent in 1975 to 6.3 percent in 1979, increased by 10.3 percent to \$10.6 billion in

1980. Spending per household, however, increased by only 6.0 percent to \$3,272 which was less than the rate of inflation although greater than the 4.2 percent change in 1979. Although the rate of increase in the Consumer Price Index does not specifically relate to the increase in municipal and school board costs, it serves as an indicator of the level of prices in the economy in general. Figure I-1 shows the changes in the Consumer Price Index, the total local sector spending, municipal spending, and school board spending.

Growth Rate of Local Government Expenditure, 1976-1980

Figure I-1



The upward pressure on local sector spending was led by an increase in municipal spending of 10.8 percent over 1979 to a total of \$6,136 million in 1980. This is a substantial increase from the year-to-year increase of 6.5 percent between 1978 and 1979. Both the revenue fund and capital fund expenditures increased substantially, rising by 12.3 and 5.3 percent respectively. The increase in capital spending between 1979 and 1980 was greater than the gain experienced between 1977 and 1979. This seems to indicate that municipalities had been postponing capital projects in anticipation of interest rates declining, but found that this was not occurring.

The increase in spending by school boards continued to be below the rate of inflation as total expenditures increased by 9.7 percent to \$4.5 billion. Capital expenditures showed substantial gains from the previous year, increasing by 24.6 percent to \$172 million. This increase is not as significant as the growth in municipal capital spending since the school board capital spending has tended to fluctuate from year to year. Although the increase in revenue fund expenditures of 9.2 percent in 1980 was greater than the 7.2 percent change between 1978 and 1979, it was still well below the growth experienced in earlier years, such as the 15 percent increase in 1976. Declining enrollment still appears to be having an effect on school board expenditures.

Local Government Spending

Table 1-2

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
Municipalities						
Revenue Fund*	3,633	4,011	4,342	4,875	34.2	12.3
Capital Fund	<u>1,136</u>	<u>1,194</u>	<u>1,198</u>	<u>1,261</u>	11.0	5.3
Subtotal	4,769	5,205	5,540	6,136	28.7	10.8
School Boards						
Revenue Fund*	3,410	3,680	3,946	4,309	26.4	9.2
Capital Fund	<u>128</u>	<u>170</u>	<u>138</u>	<u>172</u>	34.4	24.6
Subtotal	3,538	3,850	4,084	4,481	26.7	9.7
Total Local Sector						
Revenue Fund*	7,043	7,691	8,288	9,184	30.4	10.8
Capital Fund	<u>1,264</u>	<u>1,364</u>	<u>1,336</u>	<u>1,433</u>	13.4	7.3
TOTAL	8,307	9,055	9,624	10,617	27.8	10.3
Total Spending Per Household (\$)	2,722	2,284	3,088	3,272	20.2	6.0
Inflation (%)					30.3	10.1
Growth of GPP (%)					34.0	10.3

*Revenue Fund expenditures are net of transfers to the capital funds.

These transfers have been included in the Capital Fund.

Revenues

Local government revenues in 1980 grew by \$964 million to \$10.6 billion. The 10.0 percent increase surpassed the increases of 8.8 percent in 1978 and 6.5 percent in 1979. All sources of

Local Government Revenues

Table 1-3

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
Municipalities						
Taxation	1,663	1,785	1,967	2,165	30.2	10.1
Ontario Grants	1,525	1,626	1,747	1,921	26.0	10.0
Specific User Fees	639	725	810	906	41.8	11.9
Other Revenue	591	749	762	852	44.2	11.8
Borrowing	<u>467</u>	<u>267</u>	<u>314</u>	<u>290</u>	(37.9)	(7.6)
Subtotal	4,885	5,152	5,600	6,134	25.6	9.5
School Boards						
Taxation	1,526	1,663	1,831	2,048	34.2	11.9
Ontario Grants	1,908	1,992	2,092	2,317	21.4	10.8
Other Revenue	64	82	96	99	54.7	3.1
Borrowing	<u>58</u>	<u>87</u>	<u>60</u>	<u>45</u>	(22.4)	(25.0)
Subtotal	3,556	3,824	4,079	4,509	26.8	10.5
Total Local Sector						
Taxation	3,189	3,448	3,798	4,213	32.1	10.9
Ontario Grants	3,433	3,618	3,839	4,238	23.4	10.4
Specific User Fees	639	725	810	906	41.8	11.9
Other Revenue	655	831	858	951	45.2	10.8
Borrowing	<u>525</u>	<u>354</u>	<u>374</u>	<u>335</u>	(36.2)	(10.4)
TOTAL	8,441	8,976	9,679	10,643	26.1	10.0

revenue experienced healthy gains except for borrowing. Borrowing fell by 10.4 percent between 1979 and 1980, and has fallen by 36.2 percent from 1977, reflecting the resistance to financing capital expenditure by borrowing when interest costs are high. Provincial grants increased at roughly the same rate as taxation as a source of revenue with increases of 10.4 and 10.9 percent respectively. The flow of funds from specific user fees, which include transit fees, water rates, and payments by elderly Ontarians to homes for the aged, had the greatest increase for the second year in a row, increasing by 11.9 percent to \$906 million.

Municipal taxation and Provincial grants to municipalities grew at 10.1 and 10.0 percent respectively. The increase in grants was 4 percentage points greater than the 1979 increase of 6.0 percent. User fees and other revenue grew at rates close to 12.0 percent, indicating the increasing reliance of municipalities on sources of revenue other than the traditional tax base.

School board revenues increased by 10.5 percent in 1980 with the major increases coming from grants and taxation which increased by 10.8 and 11.9 percent respectively. Unlike the municipalities, school boards had only a small amount of support from other revenues which increased by only 3.1 percent. The increase in taxation, again, made the property tax the faster growing source of revenues for school boards after grants and taxes had grown at almost the identical rate in 1979.

Composition of Local Government Revenues

Table 1-4

	Municipal				School				Total Local Sector			
	1977 %	1978 %	1979 %	1980 %	1977 %	1978 %	1979 %	1980 %	1977 %	1978 %	1979 %	1980 %
Taxation	34.0	35.1	35.0	35.3	42.9	43.5	44.7	45.4	37.8	38.7	39.2	39.6
Ontario Grants	31.2	32.1	31.2	31.3	53.7	52.1	51.3	51.4	40.7	40.6	39.7	39.8
Specific User Fees	13.1	14.2	14.6	14.8	*	*	*	*	7.6	8.1	8.3	8.5
Other Revenue	12.1	13.4	13.6	13.9	1.8	2.1	2.5	2.3	7.8	8.6	8.9	8.9
Borrowing	9.6	5.2	5.6	4.7	1.6	2.3	1.5	1.0	6.2	4.0	3.9	3.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Not applicable

The composition of total local sector revenues remained relatively unchanged. The trend for taxation to become relatively more important continued into 1980 so that it provided almost the same amount of revenue as Provincial grants. In 1977, taxation contributed 37.8 percent of revenues while grants were 40.7 percent of the total. The relative shares in 1980 were 39.6 percent for taxes and 39.8 percent for grants. Borrowing has continued to decline in importance, and now accounts for only 3.1 percent or half of the share of 1977. As mentioned previously, this was probably due to high interest rates. Property taxes remained the major source of revenue for municipalities at 35.3 percent of total municipal revenues, with Provincial grants coming a close second at 31.3 percent. In contrast, school boards were more dependent on Provincial funds with 51.4 percent coming from this source. The boards do not presently impose user fees except for a small amount from non-resident students, and collect relatively small amounts from other sources. Consequently, property taxes make up most of the difference at 45.4 percent of the total.

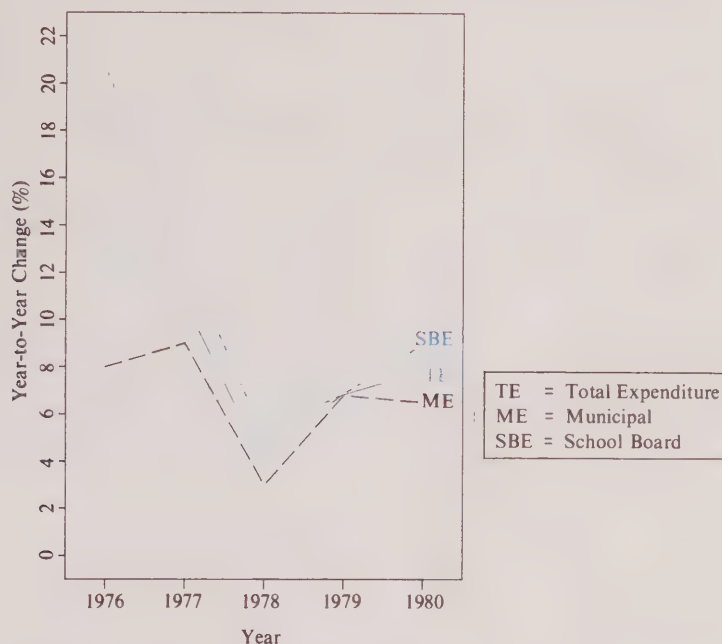
Mill Rates and Tax Levels

Total municipal and school board mill rates increased by an average of 7.8 percent in 1980. The school board average mill rates increased by 8.9 percent while the municipal rate increased by a more moderate 6.5 percent. Both mill rate increases were below the rate of increase in expenditures although total property taxes for municipal and school purposes increased by 10.7

percent. The growth in assessment of 2.9 percent brought the increases in mill rates down to a lower level.

Annual Changes in Mill Rates, 1976-1980

Figure 1-2



The trend over the last two years has been a speeding up of the rate of increase in mill rates after they troughed in 1978 as shown in Figure 1-2. Through the period since 1976, school board mill rate increases have been consistently higher than those for municipalities except in 1979 when both were approximately equal.

Total average residential property taxes, which include special charges and sewer charges on direct water billings, rose by \$85 to \$838 per household in 1980. The gain of 11.8 percent represents the greatest tax increase since 1977 when homeowners faced a 12 percent increase. The impact of the tax increase was offset by three government programs. The Municipal and School Tax Credit Program, the Municipal Elderly Residents' Assistance Program, and the Ontario Property Tax Credit System provided \$0.6 million, \$2.5 million, and \$390 million respectively for a total reduction in average taxes of \$121 per household. The net tax payable of \$717 was equivalent to 2.7 percent of average household income in 1980.

Year End Position

Local governments are required to balance their budget within each fiscal year. However, since revenues and expenditures are difficult to forecast precisely, surpluses and deficits often occur. At the end of 1980, municipalities and school boards had accumulated revenue fund surpluses of \$240 million, an increase of \$8 million from 1979. The major portion of the surpluses was maintained by the municipal sector although the surpluses were reduced by \$10 million during 1980. Reserves and reserve funds continued to increase, growing by a substantial 13.9 percent to close to \$1.2 billion. The combined total of the surpluses and the reserves was equal to 33.3 percent of 1980 revenues from taxation which is equivalent to 13.2 percent of total municipal revenues.

Year End Balances

Table 1-5

Year End Balances	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million
Revenue Fund Surplus				
Municipalities	160	166	209	199
School Boards	<u>43</u>	<u>19</u>	<u>23</u>	<u>41</u>
Total	203	185	232	240
Capital Fund Unfinanced				
Municipalities	74	183	166	156
School Boards	<u>12</u>	<u>14</u>	<u>23</u>	<u>13</u>
Total	86	197	189	169
Reserve and Reserve Funds				
Municipalities	706	802	884	1,006
School Board	<u>99</u>	<u>109</u>	<u>132</u>	<u>151</u>
Total	805	911	1,016	1,157

The amount of uncollected taxes continued to grow. By the end of 1980 total outstanding taxes were \$300 million, an increase of 9.9 percent. The distribution of the total outstanding taxes was \$222 million in the current year, and \$78 million in previous years.

Taxes Uncollected at Year End

Table 1-6

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
Taxes Uncollected at Year End:						
Current Year	182	188	207	222	22.0	7.2
Previous Year	37	43	46	56	51.4	21.7
Prior Years	<u>15</u>	<u>17</u>	<u>20</u>	<u>22</u>	46.7	10.0
Total	234	248	273	300	28.2	9.9
Arrears Per Household:						
Current Year	59	55	66	68	15.3	3.0
Prior Year	<u>17</u>	<u>24</u>	<u>14</u>	<u>24</u>	41.2	71.4
Total	76	79	80	92	21.1	15.0

Chapter 2

Municipal Revenue Fund Operations

Expenditures By Object

The cost of materials, services and financial expenses increased faster than the total municipal expenditures, rising by 13.3 percent between 1979 and 1980 and at the same time

Municipal Revenue Fund Spending By Object

Table 2-1

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
Operating Expenses						
Salaries, Wages, & Employee Benefits	1,777	1,995	2,157	2,412	35.7	11.8
Materials, Services, & Financial Expenses	1,000	1,094	1,198	1,357	35.7	13.3
Transfers	336	344	387	424	26.2	9.6
Subtotal	3,113	3,433	3,742	4,193	34.7	12.1
Financial Items						
Debt Charges	385	427	445	469	21.8	5.4
Transfers to Own Funds	329	361	385	481	46.2	24.9
Subtotal	714	788	830	950	33.1	14.5
TOTAL	3,827	4,221	4,572	5,143	34.4	12.5

payroll costs increased by 11.8 percent. As a result of these cost pressures, municipal operating expenses increased by 12.1 percent over the period.

1980 Municipal Revenue Fund Spending Per Household by Object and by Sector

Table 2-2

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Operating Expenses							
Salaries, Wages & Employee Benefits	1,135	701	670	951	367	522	743
Materials, Supplies, & Financial Expenses	413	454	343	423	396	472	418
Transfers	196	121	133	146	64	104	131
Subtotal	1,744	1,276	1,146	1,520	827	1,098	1,292
Financial Items							
Debt Charges	229	139	140	150	65	50	144
Transfers to Own Funds	164	156	109	201	122	190	148
Subtotal	393	295	249	351	187	240	292
TOTAL	2,137	1,571	1,396	1,871	1,014	1,338	1,584
Households (000)	814	1,173	420	103	614	121	3,245

*The sectors are defined in Appendix B.

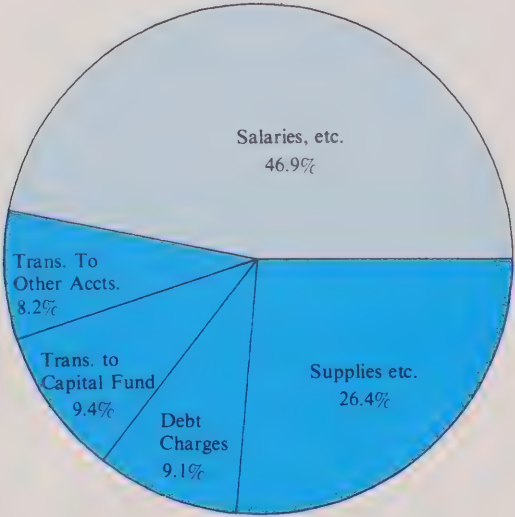
Although the growth in debt charges was moderate, transfers to own funds grew by a substantial 24.9 percent. The change in the mix of funds for capital spending shows a trend towards a pay-as-you-go policy in response to high interest rates.

The total increase of 12.5 percent experienced in 1980 reversed a downward trend in the rate of increase. The year-to-year change had declined from 12.5 percent in 1977 to 8.3 percent in 1979.

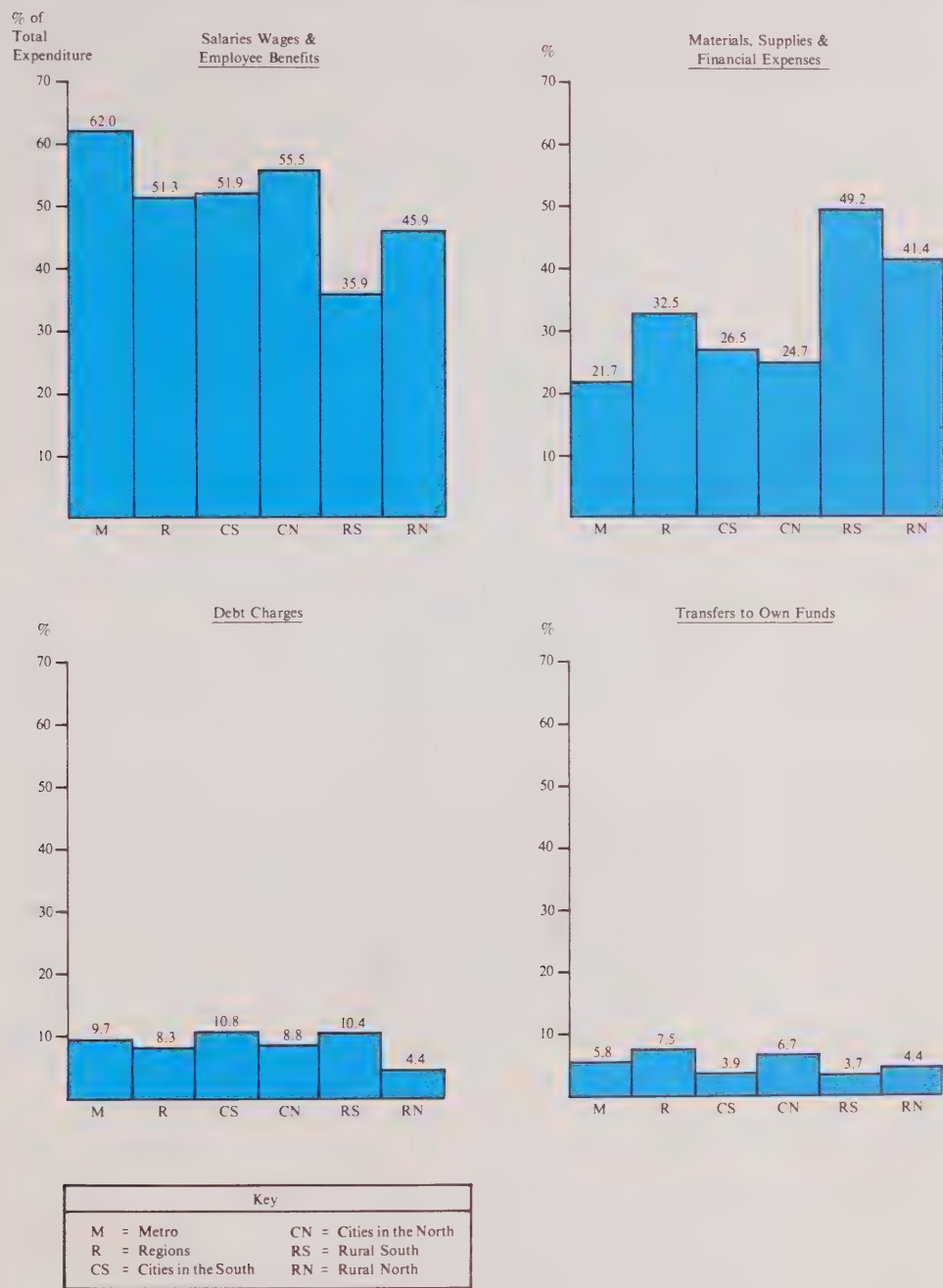
On a household basis, revenue fund expenditure increased by 10.5 percent. Operating expenditures were highest in urban areas, which might be expected since rural areas offer fewer services or share services with adjoining urban municipalities. The most rapid rate of growth was in northern cities where operating expenditures increased by 12.3 percent, and in cities in the south which had expenditure increases of 11.3 percent.

The composition of revenue fund expenditure by object in 1980 is displayed in Figure 2-1. The single most important expenditure item was salaries, wages and employee benefits, which accounted for 46.0 percent of the total. The proportions shown in Figure 2-1 have remained relatively constant through the study period although the portion of expenditure going to salaries, wages and employee benefits has declined from a high of 47.3 percent in 1978.

Composition of Municipal Revenue Fund Expenditures by Object, 1980 Figure 2-1



The breakdown of spending by object in the six sectors used in the analysis is displayed in Figure 2-2. The mix in spending particularly between salaries and supplies varied considerably amongst the sectors. The greatest amount spent on salaries, wages, and employee benefits was the 62.0 percent registered by Metro Toronto. This component of expenditure accounted for more than 50.0 percent of the total in all urban areas. Rural municipalities in the North were reasonably close to the 50.0 percent level; however, rural municipalities in the south were substantially lower. Conversely, 49.2 percent of southern rural municipalities' expenditures were on materials, supplies, and financial expenses, the highest level of all sectors.



Expenditure By Function

Expenditures on all functions, except transportation and planning and development, increased at a rate greater than the rate of inflation. Total expenditures grew by \$561 million to \$5.1 billion, an increase of 12.5 percent.

Transportation expenditures increased by 9.6 percent as a result of a moderate increase of 6.3 percent in municipal roads maintenance costs. Transit expenditures increased by 13.1 percent, more than three times the increase of 1979. Although transportation expenditures did not increase as rapidly as other expenditures in 1980, it remained the single most significant local government expenditure. However, as a result of annual changes being less than the rate of growth in total expenditure, it has declined from 27.5 percent of total municipal spending in

Municipal Revenue Fund Spending

Table 2-3

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
General Government	364	430	457	546	49.4	19.4
Protection						
Police	373	408	445	502	34.5	12.8
Fire	219	236	260	293	34.9	12.6
Conservation	45	54	53	59	31.1	11.3
Other	44	48	54	61	40.0	12.8
Subtotal	681	746	812	914	34.2	12.6
Transportation						
Roads	607	626	664	708	17.1	6.9
Transit	348	381	399	451	29.8	13.1
Other*	59	74	79	90	34.8	14.4
Subtotal	1,014	1,084	1,142	1,249	23.1	9.6
Environment						
Sewer	240	252	298	328	37.7	10.2
Water	212	234	253	275	28.4	8.7
Solid Waste	111	142	143	170	53.7	18.8
Subtotal	563	628	694	773	37.3	11.4
Health & Social Services						
Public Health	84	84	101	111	38.0	12.5
Other Health	37	47	49	53	42.2	8.0
General Assistance	205	237	260	300	46.8	15.7
Elderly	189	212	236	266	41.4	13.4
Day Nurseries	36	40	44	52	45.1	17.5
Children's Aid	101	114	135	144	42.6	6.7
Subtotal	652	732	825	925	41.9	12.1
Culture & Recreation						
Parks & Recreation	343	332	353	393	28.7	11.5
Libraries	103	154	161	182	39.7	12.7
Subtotal	446	486	514	575	30.9	11.9
Planning & Development**	107	115	128	152	43.5	9.4
TOTAL	3,827	4,221	4,572	5,133	34.1	12.5

*Other transportation includes parking, street lighting, municipal airports, and harbour commissions.

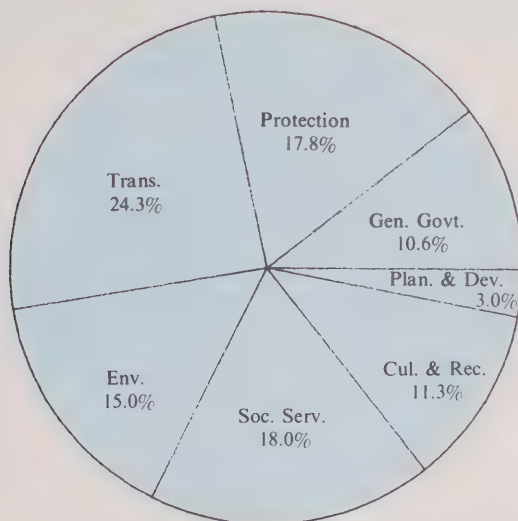
**Planning and development services include planning and zoning operations, industrial parks and land assembly, industrial development commissions, residential development including public housing, reforestation, grants to agricultural societies, tile drainage, and projects carried out under the Shoreline Property Assistance Act.

1977 to 24.3 percent in 1980. When expenditures on health and social services and protection are added, 60 percent of total expenditures are accounted for in 1980.

Expenditures on general government increased substantially by 19.4 percent. Spending on this function has increased by 49.4 percent since 1977, the largest increase of any item. General government expenditures consist mainly of salaries, wages, and financial expenses of municipal councils and administration.

Composition of Revenue Fund Expenditures by Function, 1980

Figure 2-3



Compensating for the decline in spending on transportation and in addition to the increases in general government health and social services expenditures have increased by \$100 million, or 12.1 percent, to \$925 million in 1980. These items have grown from 17 percent of total expenditures in 1977 to 18 percent in 1980. All items within the function had increases greater than 10.0 percent except for Children's Aid and Other Health, which includes hospitals and ambulance services, which increased by 6.7 and 8.0 percent respectively. General Welfare Assistance grew by 15.7 percent, reflecting the slowdown in the economy and increasing unemployment. Expenditures on this item have increased by 46.8 percent since 1977, the second highest rate of growth of all items. Day Nursery costs have increased by 17.5 percent, indicative of the increase in the provision of facilities for this service by municipalities as a result of pressure from families with working women.

Protection costs increased at an annual rate of 12.6 percent as a result of similar increases in all component parts. Police expenditures edged ahead at a slightly greater rate than fire protection, an increase of 12.8 and 12.6 percent respectively. Police spending continued to be the major component of protection, accounting for 55 percent of total protection costs.

Total spending per household varied significantly among the six sectors, ranging from a low of \$1,014 in the rural south to a high of \$2,137 in Metro. This can be attributed to a divergence in the level of services provided by municipalities in these sectors.

The variance in the level of protection expenditures per household was the result of police services being provided free by the O.P.P. in small municipalities in rural areas. Additionally, fire protection is generally provided by volunteer fire units. Spending on environment per

1980 Municipal Revenue Fund Spending Per Household

Table 2-4

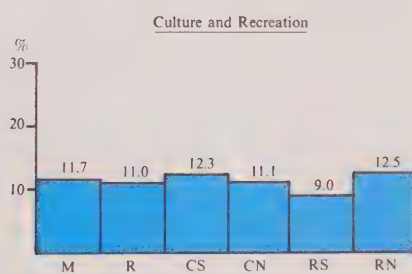
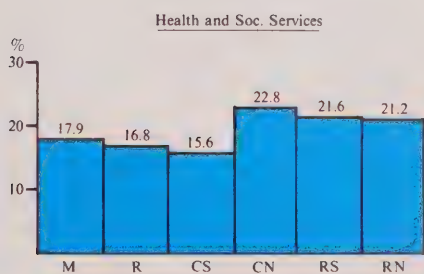
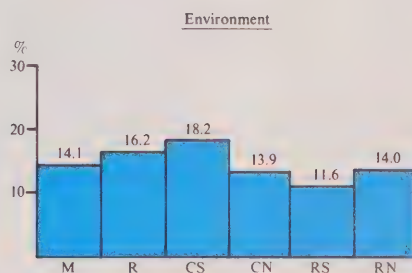
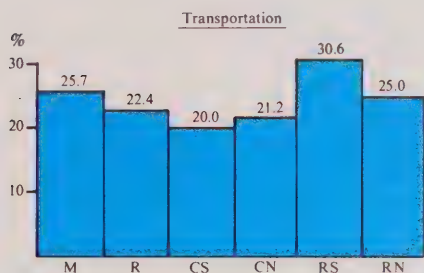
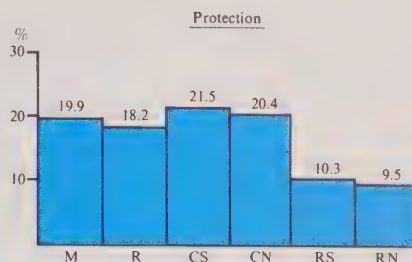
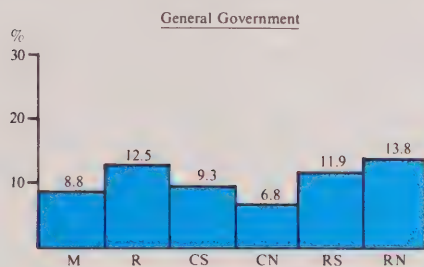
	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
General Government	187	196	129	128	121	184	168
Protection	425	285	301	381	104	127	282
Transportation	549	351	279	396	310	334	385
Environment	301	255	255	260	118	188	238
Health & Social Services	383	263	218	426	219	283	285
Culture & Recreation	251	172	172	208	91	167	177
Planning & Development	41	48	44	72	51	55	47
TOTAL	2,137	1,570	1,398	1,870	1,014	1,338	1,581

household is also lower in rural areas since most property owners have their own wells and septic systems. Waste disposal needs are met by municipal dumps which are used directly by property owners. Consequently, spending per household in rural areas was \$118 in the south and \$188 in the north. Environmental spending per household in urban areas, on the other hand, was in the range of \$255-\$300. Urbanized areas have extensive sewer and water systems, which are necessitated by the large number of people living in close proximity. Additionally, waste disposal systems require the removal of waste beyond the borders of the urban areas, therefore, they require an extensive distribution system.

The highest levels of general government expenditure per household were in the Regions and Metro Toronto. The Regions spent \$196 while Metro spent \$187. Services in these sectors are provided by a well-developed two-tier system of government. Functional responsibility is divided between the two levels. Although there are some economies of scale in providing services, such as sewage treatment systems, costs for general government are higher in the above sectors as a result of higher salary and wage expenditure. General government spending per household was also high in rural municipalities in the north, but this was due to high material and supplies costs.

Health and Social Services spending was highest in northern cities, reaching \$426 per household in 1980. The lowest level of spending was the \$218 per household of southern rural municipalities followed closely by southern cities which spent \$219 per household. The high level of expenditures in northern cities arise because health and social services are provided by Boards which, although providing service to more than one municipality, have their finances consolidated with one of the cities.

The composition of municipal revenue fund spending per household by function has remained roughly constant between 1977 and 1980, except for the previously mentioned decline in transportation spending. The composition of expenditure varies considerably from sector to sector as is evident in Figure 2-4. Transportation accounts for a large portion of municipal budgets in all sectors, particularly in the southern rural municipalities where it accounts for 30.6 percent of total expenditures. Protection costs were the second most important item in urban areas where they averaged around 20.0 percent of total expenditures compared to around 10.0 percent in rural areas. Health and Social Services were more important in rural areas and in northern cities, averaging over 21.0 percent of total expenditures in 1980. Spending on the environment consumed a greater share of budgets in southern cities at 18.2 percent of their expenditures as a result of the factors mentioned previously. Of the final items, general government and culture and recreation spending were less than 15.0 percent of the total expenditures in all sectors, while planning and development expenditures were 5.0 percent or less.



Revenues

Revenue fund revenues increased by 11.0 percent to \$5.1 billion in 1980. The growth rate exceeded that of the 1979 period when revenue fund revenues grew by 9.6 percent. The increase, however, was below the change in revenue fund expenditures which rose by 12.5 percent.

Municipal Revenue Fund Revenues

Table 2-5

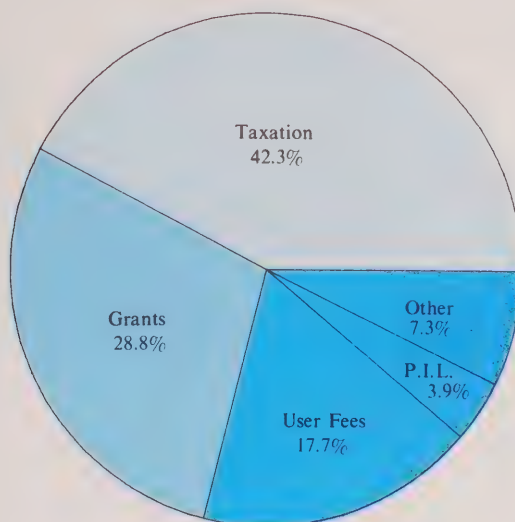
	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
Taxation						
Property Taxes	1,538	1,641	1,804	1,976	28.4	9.5
Municipal Charges	125	145	163	190	52.0	16.7
Subtotal	1,663	1,786	1,967	2,166	31.7	10.1
Payments in Lieu of Taxes						
Ontario	66	78	78	91	36.6	16.2
Other	78	83	90	108	42.0	19.8
Subtotal	144	161	168	199	39.5	18.1
Ontario Grants						
Unconditional	420	460	487	541	29.0	11.0
Conditional	722	789	854	941	30.3	10.2
Subtotal	1,142	1,249	1,341	1,482	29.8	10.5
User Fees						
Transit	205	221	248	271	32.2	9.4
Water	191	212	232	257	34.5	10.5
Sewer	7	7	8	9	28.5	9.1
Homes for the Aged	67	76	87	101	52.4	17.8
Culture & Recreation	77	87	96	107	42.0	11.7
Other	92	119	139	161	73.8	12.2
Subtotal	639	721	810	906	42.3	11.4
Other Revenue	241	299	329	372	52.4	12.3
TOTAL	3,829	4,216	4,615	5,124	33.8	11.0

The growth in revenues was broadly based. Taxation increased by 10.1 percent as a result of a substantial growth in municipal charges, which increased 16.7 percent. Municipal charges which include such items as local improvements, sewer and water service charges, garbage collection charges, and fire service charges, are now a greater share of taxation than in 1977, growing from 7 percent of the total to 9 percent of the total in 1980. Property taxes, which still provide the bulk of revenues from taxation, increased by 9.5 percent, as a result of a growth of 2.9 percent in assessment and a mill rate increase of 6.6 percent. Total Provincial grants to municipalities grew by 10.5 percent to close to \$1.5 billion in 1980. Unconditional grants grew at a faster rate, increasing by 11.0 percent which was almost double the 5.9 percent growth in 1979. The unconditional grants again grew at a faster rate than conditional grants which increased by 10.2 percent; consequently, the reversal of this situation which occurred in 1979, when conditional grants grew faster than unconditional, appears to have been a temporary aberration.

The composition of revenue fund revenues by major category is presented in Figure 2-5.

The percentage of the total coming from both taxation and grants, have decreased from 43.5 percent and 29.2 percent respectively since 1977. User fees, on the other hand, have become more important, accounting for an additional 1.5 percent since 1977.

Municipalities determine their revenue requirements from taxation on the basis of the



difference between total revenues from all other sources and anticipated expenditures, since their objective is to balance their budget. Revenues other than taxation, such as grants and user fees, are also to a great extent determined by the level of expenditure. Therefore, municipalities with a high per household expenditure would also be expected to have a high level of revenues per household. In 1980, as table 2.6 indicates, Metro Toronto had by far the highest revenue per household at \$2,141. The lowest level of revenue, which was less than half of Metro Toronto, was in the municipalities in the rural south which had revenues of \$1,011 per household. Taxes collected in Metro exceeded those in other urban areas by about 50.0 percent and were almost three times those paid by the rural south. Metro Toronto's other sources of revenue except for grants surpassed amounts gathered by the other sectors. The highest dollar value for grants was the \$838 per household going to cities in the north. Rural areas in the north were next highest at \$645 while the other four sectors came in at between \$400-470 per household.

The largest grant components in the rural south were Transportation (\$138) and Health and Social Services (\$133), while northern cities benefitted most from unconditional grants (\$440). A complete review of the Unconditional Grants Program can be found in Part II of this publication.

It is important to remember when reading table 2.6, that the taxes per household are total taxes, including those on commercial properties. The amounts shown are not the taxes that would be paid by an average residential taxpayer. These taxes would be much lower as can be observed in the discussion of property taxes in Chapter 5.

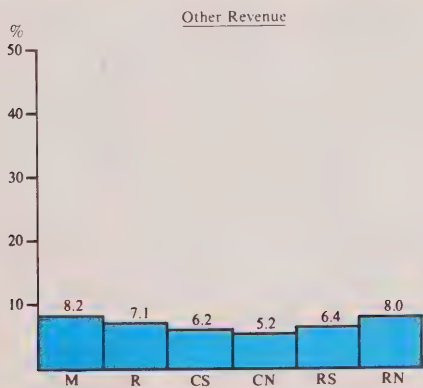
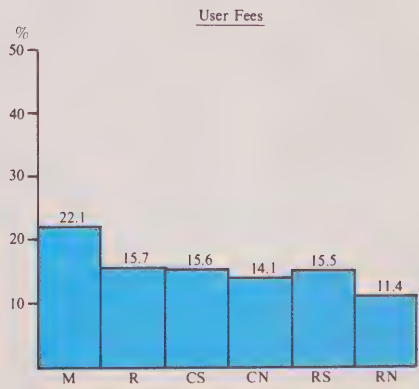
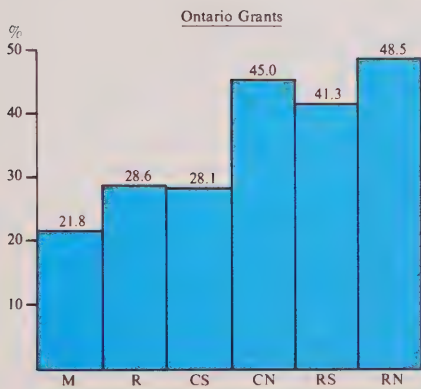
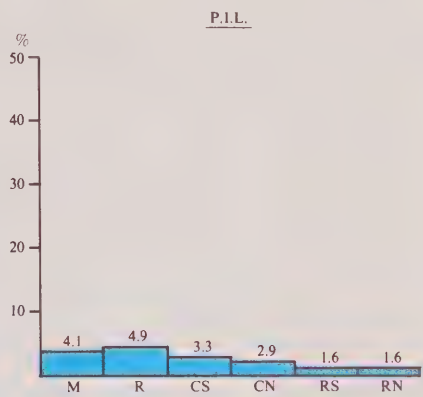
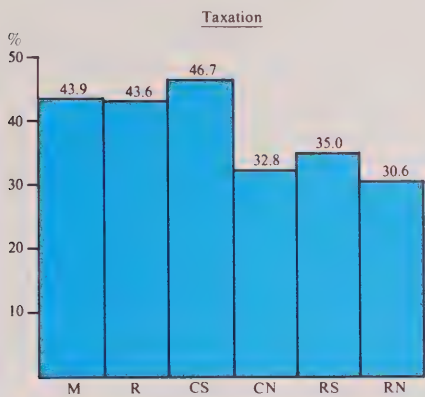
The revenue mix of the sectors varied widely as a result of the different types of services provided by municipalities and the way in which these services are financed. Property taxes are used to make up the difference between total revenue requirements and expected revenues from all other sources. In 1980, even in relative terms, taxation per household was higher in the urban areas in the south, accounting for about 45.0 percent of total revenues, compared to 30.0 to 35.0 percent elsewhere.

1980 Municipal Revenue Fund Revenues Per Household

Table 2-6

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Taxation	940	684	643	611	354	407	667
Payments in Lieu of Taxes	87	77	45	54	17	21	61
Ontario Grants							
Conditional							
General	0	1	0	0	1	1	1
Protection	6	13	14	23	18	4	12
Transportation	80	86	57	86	138	119	91
Environment	2	3	0	0	1	3	2
Health & Social Services	225	168	138	276	133	169	174
Culture & Recreation	9	7	8	11	9	14	8
Planning & Development	0	1	3	2	2	12	2
Subtotal	322	280	220	397	302	322	290
Unconditional	144	169	167	440	116	323	167
Subtotal	466	449	387	838	418	645	457
User Fees							
Transit	244	42	42	47	0	0	84
Water	106	81	85	85	40	49	79
Sewer	6	2	1	2	1	1	3
Homes for the Aged	37	23	18	54	42	41	31
Culture & Recreation	32	34	33	40	32	30	33
Other	48	64	35	34	41	31	50
Subtotal	473	246	215	262	157	152	279
Other Revenue	175	112	86	96	65	106	115
TOTAL	2,141	1,568	1,377	1,860	1,011	1,331	1,579

The higher level of taxation in southern urban municipalities offset the lower levels of funding from other sources. Figure 2-6 shows the per household composition of revenue fund revenues by major element by sector in 1980. Grants in the urban south generated 20-30 percent of revenue fund revenues per household while they represented 40-50 percent elsewhere. This is a result of the structure of the grant programs. The differential subsidy rates for conditional grants, and the operation of the resource equalization and special northern support grants on the unconditional side, are designed to assist municipalities with relatively poor assessment bases. Payments in lieu of taxes were fairly small but were slightly higher in urban areas in the south where most institutional properties are located. User fees on the other hand were relatively important, particularly in Metro Toronto where they accounted for 22.1 percent of total revenues per household.



Chapter 3

Municipal Capital Fund Operations

Expenditures

Total capital spending by municipalities, local boards and their enterprises increased by just under 5 percent to approximately \$1.25 billion. The growth in spending was a result of increases in general government, protection, transportation, health and planning and development expenditures. The functions which did not experience an increase in expenditures were social services, which fell by 26.4 percent, culture and recreation, which did not change and environment which fell by 5.6 percent. After a small decline in spending in 1979, transportation spending increased significantly as a result of a substantial increase of 16.1 percent in capital expenditures on roads. The other components of transportation had declines which pulled the level of spending down to an overall growth rate of 12.6 percent.

Municipal Capital Fund Spending By Function					Table 3-1	
	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
General Government	63	64	74	83	31.7	10.7
Protection	38	46	39	45	18.4	15.4
Transportation						
Roads	311	337	348	406	29.9	16.1
Transit	127	85	68	68	(46.5)	—
Other	13	19	20	19	46.2	(5.0)
Subtotal	451	441	436	491	8.8	12.6
Environment						
Sewer	178	197	210	195	9.6	(7.1)
Water	114	111	103	91	(21.2)	(11.7)
Solid Waste	21	42	41	48	128.6	17.1
Subtotal	313	350	354	334	6.7	(5.6)
Health	10	16	7	18	80.0	157.1
Social Services	33	41	53	39	18.2	(26.4)
Culture and Recreation	147	137	129	130	11.6	—
Planning and Development	81	94	106	112	44.4	10.4
TOTAL	<u>1,136</u>	<u>1,189</u>	<u>1,198</u>	<u>1,252</u>	10.7	4.6

The large increase in transportation spending increased the percentage of total expenditures on this function to 39.1 percent from 36.4 percent in 1979. Spending on roads reached its greatest level in the period being reviewed, climbing to 32.1 percent of the total, compared to 27.4 percent in 1977. Capital spending on roads includes machinery and new roads construction. While environmental spending declined in 1980 it still remained a large share of the total, accounting for 26.6 percent. The composition of environment spending was altered as expenditure on water and sewer facilities declined while waste disposal spending doubled from 1.9 percent of capital spending in 1977. It still constitutes a relatively small dollar amount of environmental spending.

Capital spending on planning and development continued to grow in importance, increasing to 9.3 percent of the total compared to 7.1 percent in 1977. This includes spending on land assembly and residential and commercial land development.

Composition of Municipal Capital Fund Spending

Table 3-2

	1977 %	1978 %	1979 %	1980 %
General Government	5.6	5.2	6.2	6.6
Protection	3.3	3.9	3.3	3.6
Transportation				
Roads	27.4	28.4	29.0	32.1
Transit	11.2	7.1	5.7	5.4
Other	1.1	1.6	1.7	1.5
Subtotal	39.7	37.2	36.4	39.1
Environment				
Sewer	15.7	16.6	17.5	15.5
Water	10.0	9.3	8.6	7.2
Solid Waste and Other	1.9	3.5	3.4	3.8
Subtotal	27.6	29.4	29.5	26.6
Health	0.9	1.4	0.6	1.4
Social Services	2.9	3.4	4.4	3.1
Culture and Recreation	12.9	11.5	10.8	10.3
Planning and Development	7.1	8.0	8.8	9.3
TOTAL	100.0	100.0	100.0	100.0

Municipal capital spending per household declined in four of the six sectors in the Province. Cities in the north experienced the sharpest decline, falling by 20.0 percent to \$388 per household. There were decreases in expenditures in most functions, particularly in transportation, environment and recreation services which fell a combined \$113 per household. The only function on which spending increased was planning and development which increased 42.8 percent, or \$28 per household. The lowest expenditure per household was in cities in the south where municipalities spent \$328, a decline of 6.1 percent from 1979. Increases in transportation expenditure were totally offset by decreases in environment and planning and development expenditures. Metro Toronto was second lowest at an average expenditure of \$333 per household.

Municipal Capital Fund Spending Per Household

Table 3-3

	Metro Toronto					
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
Transportation	203	151	124	131	(35.6)	5.5
Environment	116	123	114	84	(27.6)	(26.2)
Recreation	42	39	31	29	(31.9)	(7.9)
Planning and Development	16	9	13	18	12.4	40.3
Other*	67	77	99	71	5.2	(29.8)
TOTAL	444	399	381	333	(25.3)	(13.2)
	Regions					
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
Transportation	148	156	152	177	20.6	16.3
Environment	128	148	132	132	5.0	—
Recreation	44	41	53	55	31.5	4.1
Planning and Development	26	27	23	33	29.7	46.1
Other*	38	45	35	50	39.5	44.4
TOTAL	384	417	395	448	16.3	13.3

Municipal Capital Fund Spending Per Household

Table 3-3 (Continued)

Cities South						
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
Transportation	103	102	93	114	10.8	21.6
Environment	87	102	115	99	14.5	(14.1)
Recreation	24	34	25	26	9.6	7.4
Planning and Development	30	56	94	65	121.1	(30.3)
Other*	35	33	24	24	(30.3)	—
TOTAL	<u>279</u>	<u>327</u>	<u>351</u>	<u>328</u>	17.1	(6.1)

Cities North						
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
Transportation	121	151	166	134	10.7	(14.5)
Environment	231	179	156	97	(59.9)	(38.0)
Recreation	41	36	53	31	(25.2)	(42.3)
Planning and Development	52	74	66	94	79.0	42.8
Other*	85	46	44	33	(60.5)	(24.1)
TOTAL	<u>530</u>	<u>486</u>	<u>485</u>	<u>388</u>	(26.6)	(20.0)

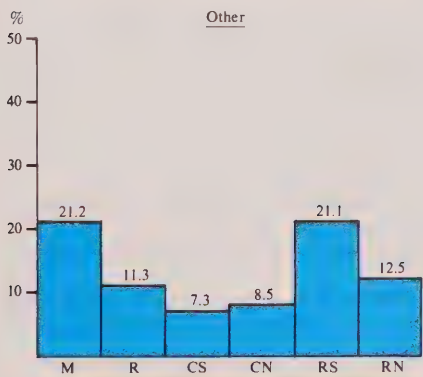
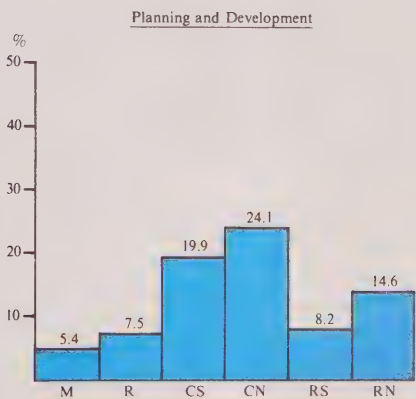
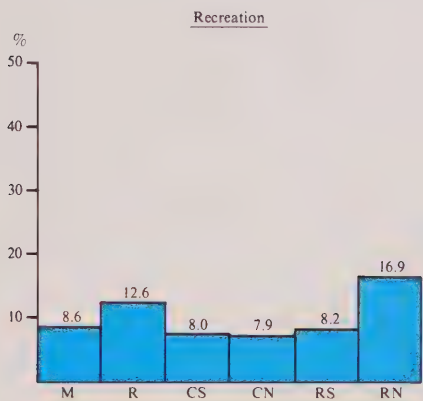
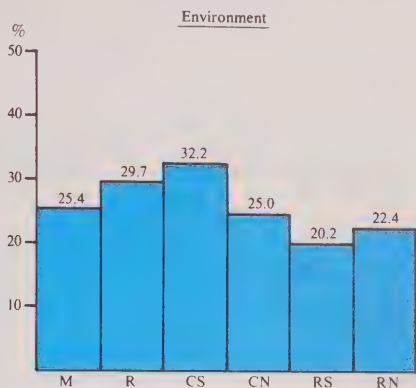
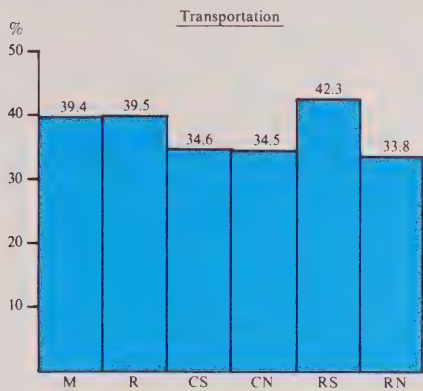
Rural South						
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
Transportation	117	120	143	164	42.0	16.6
Environment	40	34	64	78	95.9	22.2
Recreation	71	44	25	32	(56.2)	27.1
Planning and Development	33	30	30	32	(5.8)	5.3
Other*	41	49	57	82	95.1	42.9
TOTAL	<u>302</u>	<u>277</u>	<u>319</u>	<u>388</u>	28.2	22.1

Rural North						
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
Transportation	96	149	156	136	42.9	(13.2)
Environment	43	56	57	90	106.9	55.9
Recreation	94	142	104	68	(27.6)	(34.3)
Planning and Development	36	80	57	59	64.8	1.6
Other*	49	59	44	50	(1.5)	11.6
TOTAL	<u>318</u>	<u>486</u>	<u>418</u>	<u>402</u>	25.2	(4.3)

*Other Capital Expenditures include General Government, Protection, and Health and Social Services.

Municipalities in both the regions and the rural south experienced spending increases. In the regions, total capital outlay per household increased by 13.3 percent to \$448, the highest level of any sector. Almost 50.0 percent of the gain was a result of increased transportation spending. Capital expenditure per household rose by 22.1 percent in the rural south as a result of increased disbursements for all functions.

The composition of capital spending per household varied amongst the areas in the Province, however, transportation tended to consume the highest level of spending in all sectors. Spending on the environment was the second highest in terms of its percent of the total.



The proportion of total expenditures per household going to transportation ranged from 42.3 percent in the rural south to 33.8 percent in the rural north. Capital spending per household on the environment declined, as a percentage of total expenditure, in all sectors except the rural north where the expenditure has increased from 13.6 percent of the total in 1979 to 22.4 percent in 1980. The increased spending on the environment in this sector was offset by a decrease in recreation expenditure, which fell from 25.0 percent to 17.0 percent. All other sectors spent around 8.0 percent on recreation except for the regions which allocated 12.6 percent of their total capital spending to recreation. Planning and development capital expenditure per household reached a high of 24.1 percent in cities in the north while hitting a low of 5.4 percent in Metro Toronto.

Revenues

Total capital fund revenues increased moderately in 1980, rising by \$60 million or 5.3 percent. This increase was well behind the growth of 12.5 percent between 1978 and 1979. The growth in revenue was slightly ahead of the 4.6 percent increase in capital spending.

The main thrust of the change came from the increase in the transfers from own funds which grew by 11.8 percent and other revenue which gained 16.3 percent. Other revenue includes investment income, which rose substantially as a result of high interest rates, and prepaid special charges. The transfers from own funds came mainly from current revenues, which increased by 19.5 percent. Transfers from reserve funds increased slightly, rising by 2.7 percent to \$200 million. Municipalities appear to be financing capital projects from current revenues. This is despite the fact that reserves and reserve funds stood at a record \$1.0 billion.

Municipal Capital Fund Revenues

Table 3-4

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1977/80 % Change	1979/80 % Change
Own Funds						
Revenue Funds	194	209	230	274	42.2	19.5
Reserves and Res. Funds	128	155	195	200	56.4	2.7
Subtotal	322	364	425	474	47.9	11.8
Ontario Grants						
Transportation	215	202	198	221	3.4	12.2
Environment	47	49	75	71	52.6	(4.3)
Other	55	53	55	48	(12.8)	(11.8)
	317	304	328	341	7.9	4.4
Other Revenue	144	145	148	172	19.7	16.3
Borrowing	467	267	314	290	(36.6)	(7.8)
	<u>1,250</u>	<u>1,078</u>	<u>1,215</u>	<u>1,277</u>	3.8	5.3

Provincial grants increased by 4.4 percent to \$341 million as a result of strong growth in grants for transportation. All other grants declined. Transportation grants increased by 12.2 percent which was roughly equal to the growth in expenditures.

This would appear reasonable since the amount of grant received by a municipality is largely determined by the level of spending. This relationship is also true of spending on the environment; in 1980 grants decreased by 4.3 percent compared to a 5.6 percent decline in spending.

The level of borrowing by municipalities continued its decline, falling by 7.8 percent between 1979 and 1980 to \$290 million. Annual borrowing has fallen from \$467 million in 1977, a total drop of 36.6 percent. Borrowing is the only source of revenue which has shown a sustained decrease since 1977, falling from 37.3 percent of total capital fund revenues to only 22.7 percent in 1980. The converse is true of transfers from own funds which have taken up the slack growing from 25.8 percent of total revenues in 1977 to 37.1 percent in 1980.

Sources of capital fund revenues per household varied among the sectors but displayed the same pattern as the level of expenditures. Total revenues per household were approximately equal to expenditures per household in four of the sectors. The two exceptions were Metro Toronto, which had revenues of \$358 per household compared to \$333 for expenditures, and cities in the north, which had revenues of \$430, the second highest level of all sectors, compared to expenditures of \$388.

Capital fund revenue sources were divergent in that, while the majority received the greatest revenue per household from transfers from own funds, the cities in the south obtained the most from borrowing as a single source of revenue. Transfers from own funds ranged between \$168 per household in the rural north to \$101 in cities in the south. The opposite pattern was true, excluding cities in the north, for borrowing as the revenue from this source per household, ranged from \$109 in cities in the south to \$18 per household in the rural north. Northern cities had both a high level of transfers from own funds (\$150) and borrowing (\$139). This could partially be a result of the relatively low level of grants per household (\$98) which, although not at the bottom, were far less than those received by rural municipalities in the north (\$166).

Municipal Capital Fund Revenues Per Household

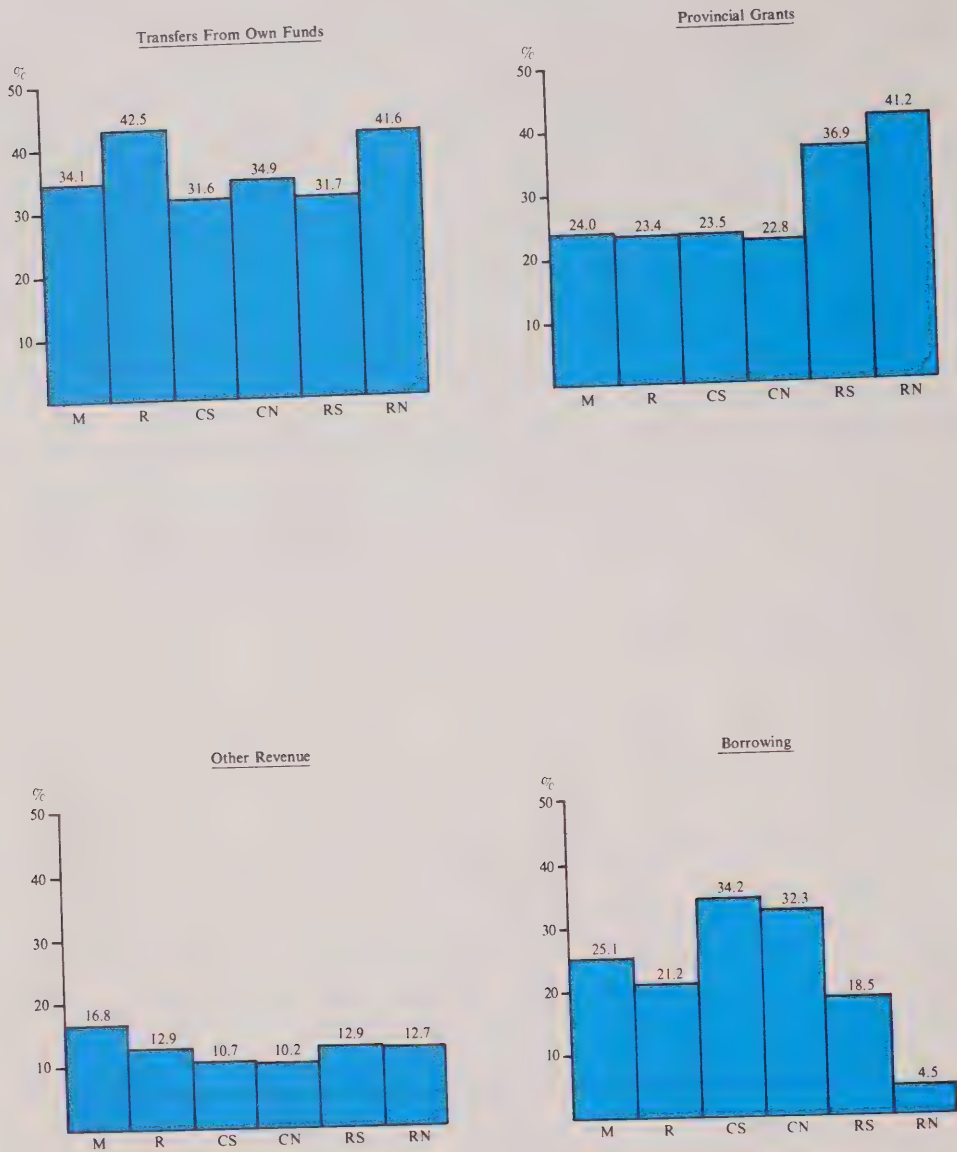
Table 3-5

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Own Funds	122	190	101	150	120	168	146
Ontario Grants							
Transportation	62	68	47	60	91	68	68
Environment	19	22	16	16	27	37	22
Culture and Recreation	1	9	6	5	11	38	8
Planning and Development	4	5	6	16	7	18	6
Other	0	0	0	0	4	6	1
Subtotal	86	105	75	97	140	166	105
Other Revenues	60	58	34	44	49	51	54
Borrowing	90	95	109	139	70	18	89
TOTAL	<u>358</u>	<u>448</u>	<u>319</u>	<u>430</u>	<u>379</u>	<u>403</u>	<u>394</u>

The percentage of total expenditures coming from Provincial grants has not remained stable, increasing in three sectors and decreasing in three sectors, between 1977 and 1980. The greatest change was in the rural municipalities in the north where grants increased from 30 percent to 41.2 per cent. The most significant decline was in the Northern cities where grants fell from 28.1 percent of total revenues to 22.8 percent in 1980.

The composition of capital fund revenues varied considerably among the sectors. Transfers from own funds have become more important for all sectors since 1977, except for municipalities in rural areas in the south which have maintained a stable level of around 31.0 percent during the four year period. The greatest change occurred in Metro Toronto, where the percentage of revenues from transfers increased from 14.7 percent to 34.1 percent of total capital fund revenues between 1977 and 1980. Municipalities in the remaining sectors had increases of approximately 8 percentage points in the portion of revenues from transfers.

The growth in Metro's transfers from own funds was complemented by a change in the opposite direction in the percent of total revenues from borrowing. It fell from 46.2 percent of the total in 1977 to 25.1 percent in 1980. A change in the opposite direction was recorded in the cities north, as borrowing rose from 30.6 percent of the total to 32.3 percent in 1980. Borrowing was a smaller amount of the total in the regions (34.5% to 21.2%), cities south (45.1 to 34.2), rural south (23.0 to 18.5) and the rural north (13.9 to 4.5).



Chapter 4

School Board Finances

Expenditures

The growth in total school board expenditures between 1979 and 1980 accelerated from the moderating trend between 1977 and 1979. The total increase was 9.7 percent up from 8.2 percent in 1978 and 6.0 percent in 1979. Total expenditures now stand at close to \$4.5 billion. Revenue fund expenditures grew at a rate of 9.2 percent while the capital fund spending grew by a substantial 28.3 percent from 1979. Although capital spending climbed rapidly between 1979 and 1980, debt charges actually decreased as a result of a negative change in secondary school interest payments. This apparent paradox is due to a significant increase in internal financing as transfers from own funds grew by 108.7 percent to \$144 million. This was most likely in response to the rapidly escalating interest rates discussed in Chapter I.

School Board Expenditures

Table 4-1

	1977	1978	1979	1980	1980/77	1980/79
	\$ Million	\$ Million	\$ Million	\$ Million	% Change	% Change
REVENUE FUND						
Elementary						
Salaries & Wages						
—Teachers	1,239	1,329	1,465	1,614	30.3	10.2
—Other	309	346	340	378	22.3	11.2
Debt Charges	139	135	140	140	0.7	—
Other Expenditures	316	354	367	409	29.4	11.4
Total	2,003	2,164	2,312	2,541	26.9	9.9
Secondary						
Salaries & Wages						
—Teachers	910	978	1,073	1,153	26.7	7.5
—Other	209	225	230	257	30.0	11.7
Debt Charges	74	74	76	74	—	(2.7)
Other Expenditures	214	239	255	284	32.7	11.4
Total	1,407	1,516	1,634	1,768	25.7	8.2
Total Revenue Fund	3,410	3,680	3,946	4,309	26.4	9.2
Capital Fund	128	170	138	172	38.3	28.3
TOTAL	3,538	3,850	4,084	4,481	26.7	9.7

The growth in revenue fund spending was the result of increases in all categories of expenditure except debt charges, as previously discussed. Although student enrollment and teacher employment continued to decline in both elementary and secondary schools, payroll costs increased by a total of \$294 million or 9.5 percent. Payroll costs for administrators, principals, vice-principals, janitors, and other non-teaching staff outpaced the growth of payroll costs for teachers for both elementary and secondary schools. The total increase in payroll costs for non-teaching staff was 11.4 percent while the payroll costs for teaching staff was only 9 percent. This could be the result of cost pressures carried over from the 1978/79 period when the total bill for non-teaching staff did not increase while the salaries for teachers jumped by 10.0 per cent.

The rate of growth of capital spending which was 28.3 percent is not indicative of a boom in school construction. Capital spending tends to fluctuate as a result of the timing of the refurbishing of old school facilities and the construction of new schools when residential developments are completed. In the long term, even if enrollment continues to decline, there will still be some demand for capital expenditure as the present stock of school buildings age, and as there is a re-distribution of the population around urban areas.

The composition of school board revenue fund expenditure has remained relatively constant during the period under review. The major change has been the declining importance of debt charges which declined from 6.9 percent for elementary, and 5.3 for secondary schools to 5.5 percent, and 4.2 percent of expenditures respectively.

Naturally, both salary and non-salary costs are a larger portion of the total as a result. Total salary costs have gone from 78.2 percent in 1977 to 78.9 percent in 1980 while other costs have grown from 15.5 percent to 16.1 percent of revenue fund expenditures.

School Board Enrollment and Staffing

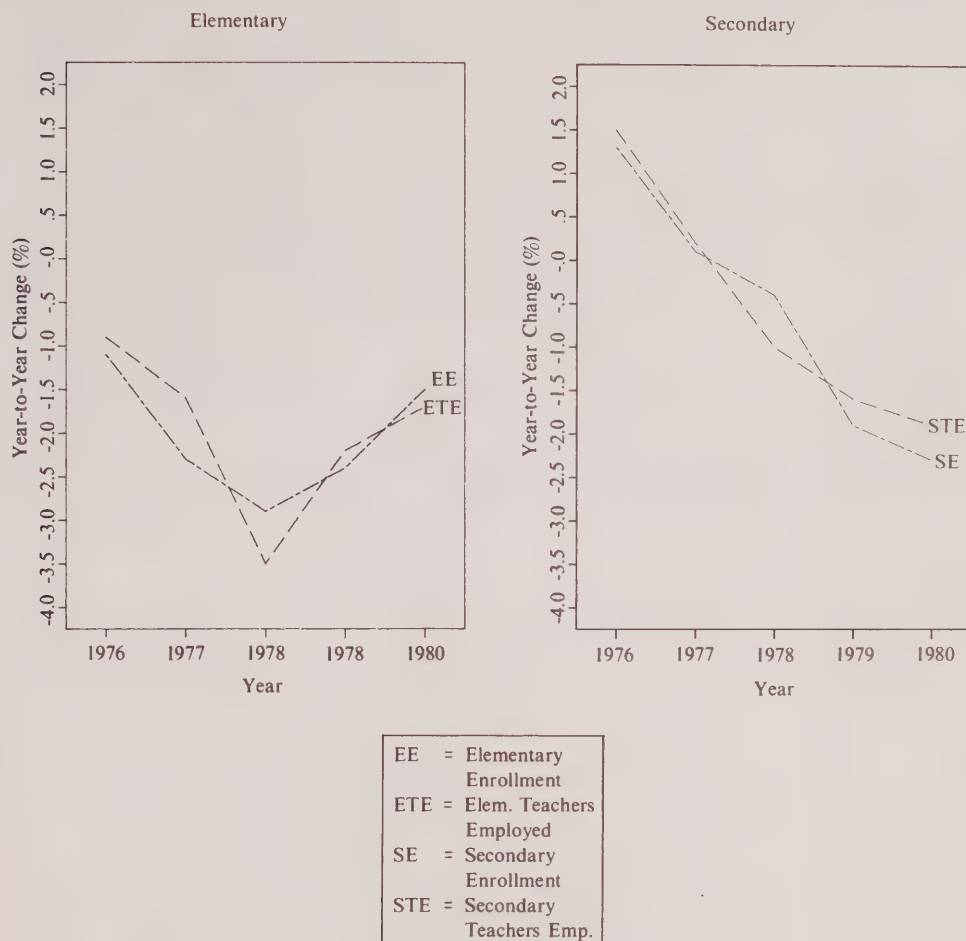
Table 4-2

	1977	1978	1979	1980	1980/77 % Change	1980/79 % Change
Elementary						
Students	1,329,396	1,290,337	1,258,761	1,240,274	(6.7)	(1.5)
Revenue Fund Expenditure/ Students (\$)	1,507	1,675	1,837	2,049	36.0	11.5
Teachers	56,772	54,775	53,549	52,653	(7.3)	(1.7)
Average Salary/Teacher (\$)	21,824	24,263	27,358	30,653	40.5	12.0
Student/Teacher	23.4	23.6	23.5	23.6	—*	—*
Secondary						
Students	631,830	61,668	600,084	586,261	(4.5)	(2.3)
Revenue Fund Expenditure/ Student (\$)	2,292	2,478	2,723	3,015	31.5	10.7
Teachers	35,454	35,068	34,513	33,840	(4.6)	(1.9)
Average Salary/Teacher (\$)	25,667	27,889	31,090	34,072	32.7	7.6
Student/Teacher	17.3	17.4	17.4	17.3	—*	—*

* Less than 1%

The decline in enrollment experienced by both elementary and secondary schools continued into 1980. Elementary enrollment fell by 1.5 percent to 1,240,274 while secondary enrollment dropped by a greater rate of 2.3 percent. The student-teacher ratio remained constant, however, since there was a matching drop in the number of teachers employed by school boards. While enrollment and employment dropped between 1979 and 1980 expenditure per student increased in both elementary and secondary schools. Expenditures rose by 11.5 per cent in elementary and 10.7 per cent in secondary schools. This was partially caused by the increases in the average salary for teachers which gained by 12.0 per cent in elementary and by 7.6 per cent in secondary schools. Figure 4-1 shows the annual change in enrollment, and in the number of teachers employed. These items are broken down into elementary and secondary school boards.

Although enrollment is still declining, the rate of decline has slowed in elementary schools. It appears that the people who were born during the post war baby boom now have children of elementary school age. If there is a mini-boom in the future, then, school expenditures will continue to rise. This change has been reflected in the year-to-year change in teacher employment, which has slowed down in elementary schools. The impact of these changes has not yet been felt by secondary school boards.



Revenues

Provincial grants and property taxes both grew at a rate greater than the rate of inflation: grants advanced by 11.1 percent while taxation increased by 12.2. The combined effect of these changes led to an increase of 11.2 percent in total revenue fund revenues which now stand at \$4.5 billion. The growth in grants is the greatest increase since 1975, however, the increase was not sufficient to change the relative importance of grants in total revenue. The share of revenue coming from grants declined to 50.9 percent which is roughly 3 percentage points below the share in 1977. Consequently, a greater share of revenue had to be obtained from property taxes. Property taxes in 1980 accounted for 45.3 per cent of total revenues compared to 43.7 per cent in 1977.

Capital spending in 1980 was financed mainly by internally generated funds. Capital fund revenue growth far exceeded that of the revenue fund, increasing by \$60 million to \$189 million or by 46.5 per cent. Composition of capital fund revenues has fluctuated from year to year as was discussed in Chapter I. Normally, the distribution between borrowing and transfers from

the revenue fund is in the range of 50/50 plus or minus 5 percent on either side. In 1980, the ratio was 75/25 in favour of internal financing.

School Board Revenues

Table 4-3

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
Revenue Fund						
Property Taxes	1,526	1,663	1,825	2,048	34.2	12.2
Payments in Lieu of Taxes	36	38	43	48	33.3	11.6
Ontario Grants	1,872	1,954	2,049	2,276	21.6	11.1
Other Revenue	<u>64</u>	<u>82</u>	<u>102</u>	<u>94</u>	46.9	(7.9)
Subtotal	3,498	3,739	4,019	4,471	27.8	11.2
Capital Fund						
From Revenue Fund	63	81	69	144	128.6	108.7
Borrowing	<u>58</u>	<u>87</u>	<u>60</u>	<u>45</u>	(22.5)	(25.0)
Subtotal	<u>121</u>	<u>168</u>	<u>129</u>	<u>189</u>	56.2	46.5
TOTAL	3,556	3,824	4,079	4,516	27.0	10.7

Chapter 5

Property Taxation

Overview

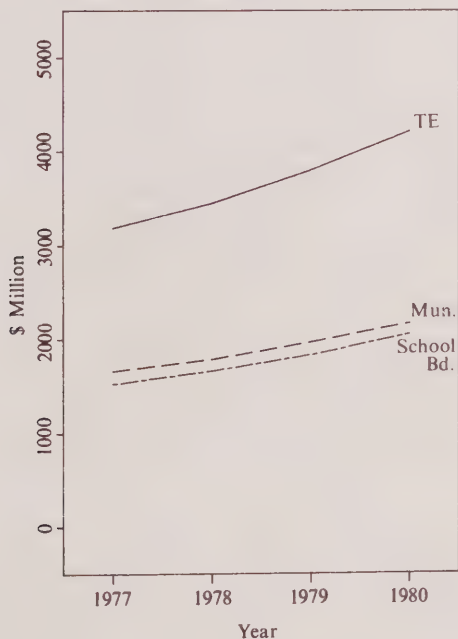
Total property taxes, excluding municipal charges, increased by 9.5 percent between 1979 and 1980, as shown in Table 5-4. Assessment growth accounted for 3.0 percent with the remaining 6.5 percent resulting from mill rate increases. The overall growth in the residential share of taxation was slightly less at 9.0 percent, composed of a 3.0 percent assessment growth and a 6.0 percent increase caused by mill rate increases.

increase in the school share of total property taxation, to 48.6 percent in 1980.

Total Property Taxation					Table 5-1	
	1977	1978	1979	1980	1980/77	1980/79
	\$ Million	\$ Million	\$ Million	\$ Million	% Change	% Change
Municipal	1,663	1,786	1,967	2,166	30.2	10.1
School	<u>1,526</u>	<u>1,663</u>	<u>1,831</u>	<u>2,048</u>	34.2	11.9
TOTAL	3,189	3,449	3,798	4,214	32.1	11.0

Total Property Taxation, 1977-1980

Figure 5-1



Composition of Total Property Taxation

Table 5-2

	1977 %	1978 %	1979 %	1980 %
Municipal	52.1	51.8	51.8	51.4
School	<u>47.9</u>	<u>48.2</u>	<u>48.2</u>	<u>48.6</u>
TOTAL	100.0	100.0	100.0	100.0

Across the Province the different sectors continued to exhibit varying levels of increases in taxation, as illustrated in Table 5-3. Rural municipalities in the north, followed by the rural south, showed the most marked tax growth over 1979 at 13.6 percent and 12.9 percent respectively, while municipalities in Metro Toronto reported increases of 9.6 percent, four percentage points less than the rural north. A similar pattern existed between 1977 and 1980 with Metro Toronto again demonstrating the lowest overall levels of increase.

Total Property Taxation

Table 5-3

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
METRO TORONTO						
Municipal	582	626	697	765	31.4	9.8
School	<u>584</u>	<u>618</u>	<u>666</u>	<u>729</u>	24.8	9.5
TOTAL	1,166	1,244	1,363	1,494	28.1	9.6
REGIONS						
Municipal	613	663	727	801	30.7	10.2
School	<u>534</u>	<u>594</u>	<u>662</u>	<u>748</u>	40.1	13.0
TOTAL	1,147	1,257	1,389	1,549	35.0	11.5
CITIES SOUTH						
Municipal	213	226	244	267	25.4	9.4
School	<u>158</u>	<u>172</u>	<u>191</u>	<u>213</u>	34.8	11.5
TOTAL	371	398	435	480	29.4	10.3
CITIES NORTH						
Municipal	51	52	58	63	23.5	8.6
School	<u>38</u>	<u>43</u>	<u>47</u>	<u>55</u>	44.7	17.0
TOTAL	89	95	105	118	32.6	12.4
RURAL SOUTH						
Municipal	167	180	198	220	31.7	11.1
School	<u>183</u>	<u>203</u>	<u>227</u>	<u>260</u>	42.1	14.5
TOTAL	350	383	425	480	37.1	12.9
RURAL NORTH						
Municipal	37	40	44	49	32.4	11.4
School	<u>29</u>	<u>33</u>	<u>37</u>	<u>43</u>	48.3	16.2
TOTAL	66	73	81	92	39.4	13.6

Mill Rates and Assessment

Total property taxes, excluding municipal charges, increased by 9.5 percent between 1979 and 1980 across the Province, as shown in Table 5-4. Assessment growth accounted for

3.0 percent with the remaining 6.5 percent resulting from mill rate increases. The overall growth in the residential share of taxation was slightly less at 9.0 percent, composed of a 3.0 percent assessment growth and a 6.0 percent increase caused by mill rate increases.

Change in Mill Rates and Assessment

Table 5-4

	1980/77 % Change	1980/79 % Change
*Total Property Tax Increase	28.4	9.5
Due to Assessment Growth	9.9	3.0
Due to Mill Rate Increase	18.5	6.5
*Total Residential Tax Increase	29.9	9.0
Due to Assessment Growth	10.9	3.0
Due to Mill Rate Increase	19.0	6.0

*Represents taxes levied and therefore does not include municipal charges.

On a sector basis, property tax increases ranged from a high of 12.8 percent in the rural north to 9.0 percent in regions, as illustrated in Table 5-5. Assessment growth contributed the most to property tax increases in the regions and the rural north, each at 3.7 percent, and the least to tax increases in Metro Toronto and cities in the north, each at 2.3 percent.

Change in Mill Rates and Assessment

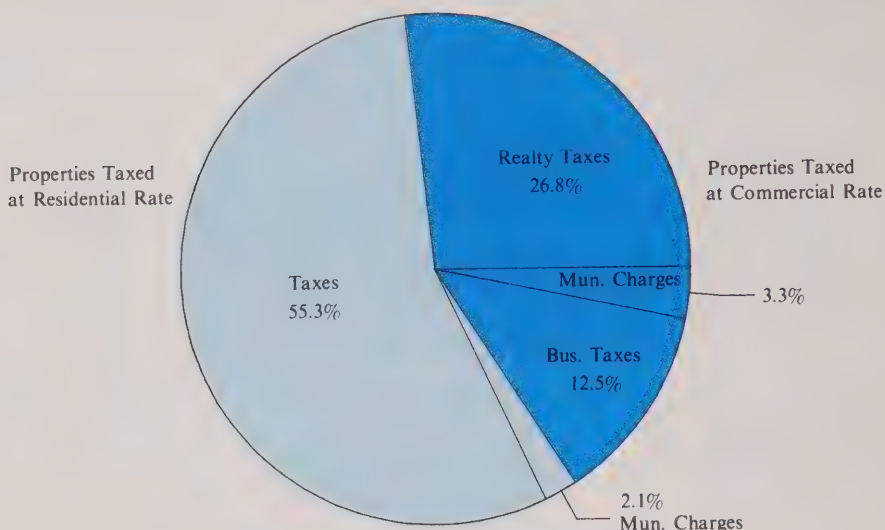
Table 5-5

	Metro Toronto		Regions		Cities South	
	1980/77 % Change	1980/79 % Change	1980/77 % Change	1980/79 % Change	1980/77 % Change	1980/79 % Change
*Total Property Tax Increase	29.0	9.4	28.6	9.0	25.4	9.7
Due to Assessment Growth	7.3	2.3	12.3	3.7	9.2	2.9
Due to Mill Rate Increase	21.7	7.1	16.3	5.3	16.2	6.8
*Total Residential Tax Increase	29.8	8.1	30.5	8.7	26.9	9.7
Due to Assessment Growth	8.1	2.5	13.0	3.5	10.2	2.9
Due to Mill Rate Increase	21.7	5.6	17.5	5.2	16.7	6.8
	Cities North		Rural South		Rural North	
	1980/77 % Change	1980/79 % Change	1980/77 % Change	1980/79 % Change	1980/77 % Change	1980/79 % Change
*Total Property Tax Increase	23.0	9.4	30.2	10.9	33.9	12.8
Due to Assessment Growth	8.7	2.3	9.8	2.8	13.7	3.7
Due to Mill Rate Increase	14.3	7.1	20.4	8.1	20.2	9.1
*Total Residential Tax Increase	26.9	9.8	30.7	10.8	36.3	14.7
Due to Assessment Growth	15.6	2.7	10.0	2.6	15.3	5.2
Due to Mill Rate Increase	11.3	7.1	20.7	8.2	21.0	9.5

*Represents taxes levied and therefore does not include municipal charges.

Property Taxation By Class

Properties taxed at the residential rate paid \$2.4 billion in 1980, while commercial properties contributed a further \$1.8 billion, as evidenced in Table 5-6. Between 1979 and 1980, the growth in taxes and charges paid by the commercial sector at 13.2 percent was significantly higher than the 9.4 percent increase experienced by the residential sector. The result was that the share of the tax burden picked up by commercial properties increased to 42.6 percent in 1980 from 41.7 percent in 1979. Nonetheless, these fluctuations appear to be cyclical since the 1980 ratio of commercial/residential mirrored the 1977 distribution, as illustrated in Table 5-7.



Property Taxes by Tax Class

Table 5-6

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
Properties Taxed at Residential Rate						
Taxes	1,772	1,925	2,134	2,330	31.5	9.2
Municipal Charges	58	72	79	90	55.2	13.9
Subtotal	1,830	1,997	2,213	2,420	32.2	9.4
Properties Taxed at Commercial Rate						
Realty Taxes	863	919	1,002	1,130	30.9	12.8
Business Taxes	404	427	464	525	30.0	13.1
Municipal Charges	92	106	119	139	51.1	16.8
Subtotal	1,359	1,452	1,585	1,794	32.0	13.2
TOTAL	3,189	3,449	3,798	4,214	32.1	11.0

Composition of Property Taxes by Tax Class

Table 5-7

	1977 %	1978 %	1979 %	1980 %
Properties Taxed at Residential Rate				
Taxes	55.6	55.8	56.2	55.3
Municipal Charges	1.8	2.0	2.1	2.1
Subtotal	57.4	57.8	58.3	57.4

Composition of Property Taxes by Tax Class

Table 5-7 (Cont.)

Properties Taxed at Commercial Rate				
Realty Taxes	27.0	26.7	26.4	26.8
Business Taxes	12.7	12.4	12.2	12.5
Municipal Charges	<u>2.9</u>	<u>3.1</u>	<u>3.1</u>	<u>3.3</u>
Subtotal	42.6	42.2	41.7	42.6
TOTAL	100.0	100.0	100.0	100.0

Total property taxes by class for the six sectors in the Province are shown in Table 5-8. Metro Toronto and the regions, with \$3.0 billion of the \$4.2 billion provincial total taxation in 1980, levied the majority of taxes and municipal charges collected in the Province. This was 72.2 percent of the total, although they contained 62.0 percent of the population of Ontario.

The composition of property taxes by class, listed in Table 5-9 and illustrated in Figure 5-3, points to the great variation in the sources of tax revenue among the various sectors. Metro Toronto and municipalities in the north received relatively smaller amounts of taxation from residential properties with less than half of the tax revenue originating from this class. By contrast, more than two-thirds of the taxes raised in the rural south were derived from the residential and farm tax class. Properties taxed at the commercial rate were, comparatively, a more important source of revenue to municipalities in Metro Toronto and the north, each with more than thirty percent of tax revenues generated from this tax class. In summary, taxation

1980 Property Taxes by Class (\$ Million)

Table 5-8

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Properties Taxed at Residential Rate						
Taxes	713	920	264	58	329	46
Municipal Charges	<u>13</u>	<u>45</u>	<u>7</u>	<u>2</u>	<u>19</u>	<u>3</u>
Subtotal	726	965	271	60	348	49
Properties Taxed at Commercial Rate						
Realty Taxes	492	359	130	38	81	29
Business Taxes	239	161	63	17	35	12
Municipal Charges	<u>38</u>	<u>63</u>	<u>16</u>	<u>3</u>	<u>16</u>	<u>3</u>
Subtotal	<u>769</u>	<u>583</u>	<u>209</u>	<u>58</u>	<u>132</u>	<u>44</u>
TOTAL	1,495	1,548	480	118	480	93

Composition of Property Taxes by Tax Class

Table 5-9

	Metro Toronto		Regions		Cities South	
	1977	1980	1977	1980	1977	1980
	%	%	%	%	%	%
Properties Taxed at Residential Rate						
Realty Taxes	48.8	47.7	59.6	59.4	55.0	55.0
Municipal Charges	<u>0.3</u>	<u>0.9</u>	<u>2.6</u>	<u>2.9</u>	<u>1.9</u>	<u>1.5</u>
Subtotal	49.1	48.6	62.2	62.3	56.9	56.5



Table 5-9 (Cont.)

Properties Taxed at Commercial Rate						
	1977	1980	1977	1980	1977	1980
Realty Taxes	32.9	32.9	23.5	23.2	27.0	27.1
Business Taxes	16.0	16.0	10.7	10.4	13.2	13.1
Municipal Charges	<u>2.0</u>	<u>2.5</u>	<u>4.6</u>	<u>4.1</u>	<u>2.9</u>	<u>3.3</u>
Subtotal	<u>50.9</u>	<u>51.4</u>	<u>37.8</u>	<u>37.8</u>	<u>43.1</u>	<u>43.5</u>
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
	Cities North		Rural South		Rural North	
	1977	1980	1977	1980	1977	1980
	%	%	%	%	%	%
Properties Taxed at Residential Rate						
Realty Taxes	48.3	49.2	69.1	68.5	48.5	49.5
Municipal Charges	<u>2.3</u>	<u>1.7</u>	<u>4.0</u>	<u>4.0</u>	<u>3.0</u>	<u>3.2</u>
Subtotal	50.6	50.9	73.1	72.5	51.5	52.7
Properties Taxed at Commercial Rate						
Realty Taxes	33.7	32.2	16.9	16.9	31.8	31.2
Business Taxes	14.6	14.4	7.1	7.3	13.7	12.9
Municipal Taxes	<u>1.1</u>	<u>2.5</u>	<u>2.9</u>	<u>3.3</u>	<u>3.0</u>	<u>3.2</u>
Subtotal	<u>49.4</u>	<u>49.1</u>	<u>26.9</u>	<u>27.5</u>	<u>48.5</u>	<u>47.3</u>
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

characteristics among the sectors pointed to the predominantly residential character of the regions and the rural south and the greater emphasis on the commercial component in the other sectors.

Property Taxes by Type of Property

A finer breakdown of property taxes into specific types of properties is shown in Table 5-10. On the residential side, vacant land and buildings showed the highest level of tax growth between 1979 and 1980 at 19.3 percent, while on the commercial side, parking lots exhibited the largest increase at 30.3 percent. Vacant land and parking lots continue, however, to account for a small percentage of total taxes, representing 4.0 percent and 1.0 percent respectively. Of all types of properties, residences had the lowest tax growth over the previous year at 8.5 percent.

Table 5-10

	1977	1978	1979	1980	1980/77	1980/79
	\$ Million	\$ Million	\$ Million	\$ Million	% Change	% Change
Properties Taxed at Residential Rate						
Residences: Realty Taxes	1,607	1,750	1,934	2,099	30.6	8.5
Municipal Charges	<u>58</u>	<u>69</u>	<u>79</u>	<u>90</u>	<u>55.2</u>	<u>13.9</u>
Subtotal	1,665	1,819	2,013	2,189	31.5	8.7
Farmland	27	29	31	35	29.6	12.9
Vacant Land and Buildings	120	125	140	167	39.2	19.3
Other Properties	<u>18</u>	<u>22</u>	<u>29</u>	<u>29</u>	<u>61.1</u>	<u>0.0</u>
Total	1,830	1,995	2,213	2,420	32.2	9.4

Total Property Taxation

Table 5-10 (Cont.)

Properties Taxed at Commercial Rate						
Industrial	419	461	509	570	36.0	12.0
Financial and Wholesale	161	153	160	179	11.2	11.9
Professional, Chain Retail	257	258	297	342	33.1	15.2
Retail and Other Commercial	398	444	467	521	30.9	11.6
Parking Lots	32	31	33	43	34.4	30.3
Telephone and Telegraph	55	59	71	80	45.5	12.7
Municipal Charges	<u>37</u>	<u>47</u>	<u>48</u>	<u>59</u>	<u>59.5</u>	<u>22.9</u>
Total	1,359	1,453	1,585	1,794	32.0	13.2
TOTAL	3,189	3,448	3,798	4,214	32.1	11.0

The composition of commercial property taxes shown in Table 5-11 illustrates the continued and growing importance of industrial properties, contributing 13.5 percent of total property taxation, followed by retail and other commercial properties at 12.4 percent. At the same time, taxes on residences contributed almost half of all property taxes raised by municipalities, although the percentage declined slightly from 50.4 percent in 1977 to 49.9 percent in 1980.

Composition of Property Taxes By Type of Property

Table 5-11

	1977 %	1978 %	1979 %	1980 %
Properties Taxed at Residential Rate				
Residences: Realty Taxes	50.4	50.8	50.8	49.9
Municipal Charges	<u>1.8</u>	<u>2.0</u>	<u>2.1</u>	<u>2.1</u>
Subtotal	52.2	52.8	52.9	52.0
Farmland	0.8	0.9	0.8	0.8
Vacant Land and Buildings	3.8	3.6	3.7	4.0
Other Properties	<u>0.6</u>	<u>0.6</u>	<u>0.8</u>	<u>0.7</u>
Total	57.4	57.9	58.2	57.5
Properties Taxed at Commercial Rate				
Industrial	13.1	13.4	13.4	13.5
Financial and Wholesale	5.0	4.4	4.2	4.2
Professional, Chain Retail	8.1	7.5	7.8	8.1
Retail and Other Commercial	12.5	12.9	12.3	12.4
Parking Lots	1.0	0.9	0.9	1.0
Telephone and Telegraph	1.7	1.7	1.9	1.9
Municipal Charges	<u>1.2</u>	<u>1.3</u>	<u>1.3</u>	<u>1.4</u>
Total	42.6	42.1	41.8	42.5
TOTAL	100.0	100.0	100.0	100.0

Residential Tax Burden

The average residential tax burden on a single family dwelling in 1980 for the Province was \$802, made up of \$409 in municipal taxes and charges, and \$393 in school taxes. There was

a variation among the sectors from a low of \$434 per household in the rural north to a high of \$1,008 in Metro Toronto, partially the result of varying types and levels of services provided among sectors and partially due to different overall levels of provincial assistance to each sector. Metro Toronto, the regions and cities in the south had municipal taxes which were higher than the provincial average. School and total property taxation in Metro and the regions exceeded the provincial average.

Average Gross Residential Property Taxes Per Household*

Table 5-12

	1977 \$	1978 \$	1979 \$	1980 \$	1980/77 % Change	1980/79 % Change
Metro Toronto						
Municipal Taxes	413	430	470	494	19.6	5.1
Municipal Charges	<u>7</u>	<u>12</u>	<u>14</u>	<u>16</u>	128.6	14.3
Subtotal	420	442	484	510	21.4	5.4
School Taxes	<u>446</u>	<u>459</u>	<u>485</u>	<u>498</u>	11.7	2.7
TOTAL	866	901	969	1,008	16.4	4.0
Regions						
Municipal Taxes	373	367	396	404	8.3	2.0
Municipal Charges	<u>27</u>	<u>32</u>	<u>33</u>	<u>39</u>	44.4	18.2
Subtotal	400	399	429	443	10.8	3.3
School Taxes	<u>343</u>	<u>362</u>	<u>392</u>	<u>429</u>	25.1	9.4
TOTAL	743	761	821	872	17.4	6.2
Cities South						
Municipal Taxes	350	361	377	403	15.1	6.9
Municipal Charges	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	0.0	0.0
Subtotal	367	378	394	420	14.4	6.6
School Taxes	<u>280</u>	<u>297</u>	<u>319</u>	<u>338</u>	20.7	6.0
TOTAL	647	675	713	758	17.2	6.3
Cities North						
Municipal Taxes	276	272	286	330	19.6	15.4
Municipal Charges	<u>20</u>	<u>20</u>	<u>22</u>	<u>22</u>	10.0	0.0
Subtotal	296	292	308	352	18.9	14.3
School Taxes	<u>231</u>	<u>251</u>	<u>258</u>	<u>306</u>	32.5	18.6
TOTAL	527	543	566	658	24.9	16.3
Rural South						
Municipal Taxes	186	190	205	221	18.8	7.8
Municipal Charges	<u>24</u>	<u>26</u>	<u>28</u>	<u>31</u>	29.2	10.7
Subtotal	210	216	233	252	20.0	8.2
School Taxes	<u>225</u>	<u>242</u>	<u>261</u>	<u>287</u>	27.6	10.0
TOTAL	435	458	494	539	23.9	9.1
Rural North						
Municipal Taxes	176	180	194	210	19.3	8.2
Municipal Charges	<u>23</u>	<u>24</u>	<u>25</u>	<u>28</u>	21.7	12.0
Subtotal	199	204	219	238	19.6	8.7
School Taxes	<u>149</u>	<u>165</u>	<u>180</u>	<u>196</u>	31.5	8.9
TOTAL	348	369	399	434	24.7	8.8

Average Gross Residential Property Taxes Per Household*

Table 5-12 (Cont.)

Province						
Municipal Taxes	333	337	363	381	14.4	5.0
Municipal Charges	<u>19</u>	<u>23</u>	<u>24</u>	<u>28</u>	47.4	16.7
Subtotal	352	360	387	409	16.2	5.7
School Taxes	<u>325</u>	<u>342</u>	<u>366</u>	<u>393</u>	20.9	7.4
TOTAL	677	702	753	802	18.5	6.5

*The taxes calculated here are based on the average 1978 assessment for a single dwelling unit.

$$\text{Taxes} = \frac{\text{Assessment} \times \text{Total Mill Rate (Public)}}{1,000}$$

Both school and municipal taxation followed the same ranking of tax levels among the sectors, with Metro Toronto on top, followed by the regions, cities south and north, and rural south and north. Consequently, the average level of municipal taxation on a single dwelling unit also seems to be affected by the same influences that affect the level of school purpose taxation in each sector, such as provincial grants, debt charges and general operating costs.

In terms of growth in taxation, cities in the north had the highest level of increase in municipal and school taxation between 1979 and 1980 at 16.3 percent, a trend which is observed throughout the period under review. The sector with the next highest level of tax increase was the rural south followed by the rural north. Metro Toronto continued to have the lowest levels of increases between 1979 and 1980 in each of the municipal and school portions. Total tax increases in Metro Toronto at 4.0 per cent, the regions at 6.2 percent, and cities in the south at 6.3 percent, were less than the provincial average of 6.5 percent. The remaining sectors reported increases above the provincial average.

The residential tax burden among the sectors ranged from a low of 1.9 percent of household income in the rural north to 3.3 percent of household income in Metro Toronto, as shown in Table 5-13. Tax to income ratios declined in all sectors between 1979 and 1980, except in cities in the north where due to residential property tax per household increases of 16.3 percent, the ratio increased from 2.3 percent in 1979 to 2.4 percent in 1980.

Residential Tax Burden

Table 5-13

	1977 \$	1978 \$	1979 \$	1980 \$	1980/77 % Change	1980/79 % Change
Metro Toronto						
Property Tax per Household	866	901	969	1,008	16.4	4.0
Income per Household	24,200	26,200	28,200	31,000	28.1	9.9
Property Tax as % of Income	3.6	3.4	3.4	3.3	(8.3)	(2.9)
Regions						
Property Tax per Household	743	761	821	872	17.4	6.2
Income per Household	21,900	23,600	25,400	27,900	27.4	9.8
Property Tax as % of Income	3.4	3.2	3.2	3.1	(8.8)	(3.1)
Cities South						
Property Tax per Household	647	675	713	758	17.2	6.3
Income per Household	21,200	23,000	25,000	27,500	29.7	10.0
Property Tax as % of Income	3.1	2.9	2.9	2.8	(9.7)	(3.4)

Residential Tax Burden

Table 5-13 (Cont.)

Cities North						
Property Tax per Household	527	543	566	658	24.9	16.3
Income per Household	20,400	22,900	24,800	27,300	33.8	10.1
Property Tax as % of Income	2.6	2.4	2.3	2.4	(7.7)	4.3
Rural South						
Property Tax per Household	435	458	494	539	23.9	9.1
Income per Household	17,400	19,100	20,600	22,500	29.3	9.2
Property Tax as % of Income	2.5	2.4	2.4	2.4	(4.0)	0.0
Rural North						
Property Tax per Household	348	369	399	434	24.7	8.8
Income per Household	18,100	19,600	21,100	23,100	27.6	9.5
Property Tax as % of Income	1.9	1.9	1.9	1.9	0.0	0.0
Province						
Property Tax per Household	677	702	753	802	18.5	6.5
Income per Household	21,200	22,800	24,600	27,000	27.4	9.8
Property Tax as % of Income	3.2	3.1	3.0	3.0	(6.3)	0.0

Tax offsets from the three provincial tax credit programs reduced taxes on the average house by \$121 or 15.1 percent in 1980, from \$802 to \$681, as shown in Table 5-14. Gross property taxes increased by 6.5 percent between 1979 and 1980, while net property taxes increased by 7.8 percent, the higher growth rate being the result of the same average tax offsets per household for the two years. Notably, net property taxes as a percent of household income was reduced by 3.8 percent between 1979 and 1980, from 2.6 percent to 2.5 percent.

Residential Tax Burden Per Household

Table 5-14

	1977 \$	1978 \$	1979 \$	1980 \$	1980/77 % Change	1980/79 % Change
Municipal Taxes and Charges	352	360	387	409	16.2	5.7
School Taxes	325	342	366	393	20.9	7.4
Gross Property Taxes	677	702	753	802	18.5	6.5
Tax Offsets*	115	118	121	121	5.2	0.0
Net Property Taxes	562	584	632	681	21.1	7.8
Share of Household Income (%)						
Gross Taxes	3.2	3.1	3.0	3.0	(6.3)	0.0
Net Taxes	2.7	2.6	2.6	2.5	(7.4)	(3.8)

*Includes transfers under the Municipal and School Tax Credit Assistance Act, the Municipal Elderly Residents' Assistance Act and the Ontario Property Tax Credit System, each providing \$0.6 million, \$2.5 million and \$390 million in assistance respectively.

Section 63 Reassessments

Beginning in 1979, the Province has undertaken property reassessments under Section 63 of the Assessment Act (R.S.O. 1980), with the aim of reducing inequities among properties within the various assessment classes. During 1979, 14 municipalities requested such reassessments and in 1980, a further 94 took advantage of the program.

A Section 63 reassessment is initiated with a municipal request for an analysis of the potential impacts of the procedure. Once a municipality authorizes the process, the Province

determines the average percentage of market value represented by the current assessments on properties within each assessment class, such as farm, residential units, apartments, etc. All properties in that class are then reassessed at equal percentages of market value. Section 63 does not, therefore, affect the distribution of total assessment among classes, but, rather, ensures that similar properties within a class are assessed similarly and hence, bear a similar tax burden. Consequently, all farms in a municipality may be assessed at five percent of market value, for example, all single homes at 10 percent, apartments at 25 percent and so on.

Chapter 6

Long Term Borrowing, Debt and Debt Charges

Long Term Borrowing

In 1980, \$352 million in long term debt was issued by local governments in Ontario, a decrease of \$31 million over 1979. The 8.0 per cent decrease was due to a sharp decline in debentures sold in the public market. Borrowing from the public, the major source of funds for local governments, declined 61 percent since 1977, while borrowing from the federal and Ontario governments continued to rise.

The largest increase, 56.3 percent, was long term debt attributable to borrowing from the federal government. Long term debt issued to the Ontario Government by municipalities showed a marginal increase of 2.2 percent, while debt issued by school boards showed a drop of 25.0 percent.

In 1980, a new policy was introduced to encourage school boards to borrow for their capital requirements from municipalities rather than borrowing from the Province through the Ontario Education Capital Aid Corporation.

This change in policy partially accounts for the substantial decline in borrowing by school boards from the Province between 1979 and 1980.

With the prevailing high interest rates, there has been a sharp decline in local government long term borrowing. This indicates that some capital projects have either been postponed until economic conditions improve or municipalities and school boards are paying for capital works out of current revenues.

Long Term Borrowing By Source					Table 6-1	
	1977	1978	1979	1980	1980/77	1980/79
	\$ Million	\$ Million	\$ Million	\$ Million	% Change	% Change
Issued by Municipalities						
Ontario	66	88	89	91	37.8	2.2
Federal Government	46	29	48	75	63.0	56.3
Public	365	169	186	141	(61.4)	(24.2)
Subtotal	477	285	323	307*	(35.6)	(5.2)
Issued by School Boards						
Ontario	58	87	60	45	(22.4)	(25.0)
Public	0	0	0	0	0.0	0.0
Subtotal	58	87	60	45	(22.4)	(25.0)
TOTAL	535	372	383	352	(34.2)	(8.0)

* This figure is higher than the borrowing figure reported in Chapter 3 because this includes borrowing for own municipal purposes plus borrowing on behalf of unconsolidated boards and individuals. In Chapter 3, borrowing includes only that for own municipal purposes.

On a per household basis, borrowing by municipalities and school boards was \$108, a decrease of \$13 per household over 1979. Municipalities issued \$94 per household and school boards, \$14 per household, 9 decreases from 1979 of 6 and 30 percent respectively.

Long Term Borrowing Per Household By Source

Table 6-2

Province	1977 \$	1978 \$	1979 \$	1980 \$	1980/77 % Change	1980/79 % Change
Issued by Municipalities						
Ontario	22	28	28	28	27.3	0.0
Federal Government	15	9	15	23	53.3	53.3
Public	<u>118</u>	<u>54</u>	<u>58</u>	<u>43</u>	(63.6)	(23.8)
Subtotal	155	91	101	94	(39.0)	(6.0)
Issued By Schoolboards						
Ontario	19	28	20	14	(26.3)	(30.0)
Public	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0.0	0.0
Subtotal	<u>19</u>	<u>28</u>	<u>20</u>	<u>14</u>	(26.3)	(30.0)
TOTAL	174	119	121	108	(37.9)	(10.7)

The urban municipalities recorded the highest levels of long term debt, ranging from \$97 per household in the regions to \$154 per household in the cities north. Rural municipalities in the south and north reported \$72 and \$19 per household respectively, reflecting the differences in level of services provided by rural areas. Only the rural municipalities had borrowing below the provincial average of \$108 per household. Both Metro Toronto and the rural north had decreases in per household borrowing over 1979. Metro Toronto showed a decrease of 71.4 percent and the rural north 47.4 percent.

1980 Long Term Borrowing Per Household By Source

Table 6-3

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$
Issued by Municipalities						
Ontario	16	30	25	19	45	17
Federal Government	75	5	1	32	7	0
Public	<u>14</u>	<u>62</u>	<u>82</u>	<u>103</u>	<u>20</u>	<u>2</u>
TOTAL	105	97	108	154	72	19

Total Long Term Liabilities

The total net debt outstanding at the year end was \$4.3 billion, a marginal increase over 1979, of 0.6 per cent. The net debt of the municipal sector grew 1.7 percent while the school board debt fell 1.9 percent. From 1977 to 1980, local governments had experienced little growth in outstanding net debt. This is the result of a decline in new long term borrowing for this period and greater use of current revenue to finance capital works.

Unfinanced capital expenditures outstanding at the year end was \$157 million, a decrease of 16.9 percent over 1979. This too reflects relatively lower increases in capital funding, greater use of current revenue and relatively unfavourable interest rates.

Total capital fund liabilities remained fairly constant in the municipal sector, showing an increase of 1.2 percent over 1979. The school boards showed a drop of 3.2 percent. Of the total \$4.5 billion, municipalities had liabilities of \$3.2 billion and the remaining 29 percent, or \$1.3 billion, was attributable to school boards.

Borrowing, Net Debt and Unfinanced Capital Expenditures

Table 6-4

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
New Long Term Borrowing						
Municipalities	477	285	323	307	(35.6)	(5.0)
School Boards	<u>58</u>	<u>87</u>	<u>60</u>	<u>45</u>	(22.4)	(25.0)
TOTAL	535	372	383	352	(34.2)	(8.1)
Net Debt Outstanding						
Municipalities	2,840	2,898	2,976	3,027	6.7	1.7
School Boards	<u>1,437</u>	<u>1,407</u>	<u>1,314</u>	<u>1,289</u>	(10.3)	(1.9)
TOTAL	4,277	4,305	4,290	4,316	0.9	0.6
Unfinanced Capital Expenditures						
Municipalities	74	181	166	152	105.0	(8.4)
School Boards	<u>12</u>	<u>14</u>	<u>23</u>	<u>5</u>	(58.3)	(78.3)
TOTAL	86	195	189	157	82.6	(16.9)
Total Capital Fund Liabilities						
Municipalities	2,914	3,079	3,142	3,179	9.1	1.2
School Boards	<u>1,449</u>	<u>1,421</u>	<u>1,337</u>	<u>1,294</u>	(10.7)	(3.2)
TOTAL	4,363	4,500	4,479	4,473	2.5	0.1

Net Long Term Debt Outstanding By Function

Total net long term debt outstanding decreased in 1980 for all functions except social services and planning. The individual decreases range from 8.3 percent for general government and transit to 1.4 percent for health. The largest increase of 33.1 percent was reported for social services. At \$229 million, net long term debt for social services accounts for less than 8 percent of the municipal sector debt. The decrease in net long term debt outstanding by function is indicative of the current downward trend in long term borrowing by the municipal sector.

Net Long Term Debt Outstanding By Function

Table 6-5

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
General Government	87	81	84	77	(13.0)	(8.3)
Protection						
Police	52	52	55	55	5.7	0.0
Fire	29	29	30	29	0.0	(3.3)
Other	<u>30</u>	<u>35</u>	<u>37</u>	<u>34</u>	13.3	(8.1)
Subtotal	111	116	122	118	(6.3)	(3.3)
Transportation						
Roadways	451	440	440	420	(6.9)	(4.5)
Transit	<u>152</u>	<u>144</u>	<u>132</u>	<u>121</u>	(20.4)	(8.3)
Subtotal	603	584	572	541	(10.3)	(5.4)
Environment						
Sewers	754	760	824	846	12.2	2.7
Waterworks	380	383	406	411	8.2	1.2
Solid Waste & Other	<u>46</u>	<u>84</u>	<u>45</u>	<u>41</u>	(10.9)	(8.8)
Subtotal	1,180	1,227	1,275	1,298	10.0	1.8

Net Long Term Debt Outstanding By Function

Table 6-5 (Cont.)

Health	80	75	69	68	(15.0)	(1.4)
Social Services	133	144	172	229	72.2	33.1
Culture and Recreation	356	345	338	321	(9.8)	(5.0)
Planning and Development						
Residential and						
Industrial Development	100	116	135	147	47.0	8.9
Tile Drainage	66	77	86	108	63.6	25.6
Subtotal	166	193	221	255	53.6	15.6
Total Municipal	2,716	2,765	2,853	2,906	7.0	1.9
School Boards	1,437	1,407	1,314	1,289	(10.3)	(1.9)
TOTAL	4,153	4,172	4,167	4,195	1.0	0.7

Net Long Term Debt Outstanding Per Household by Sector

Net long term debt outstanding per household ranged from \$1,306 for Metro Toronto to \$275 for the rural north. Of the total municipal sector, Metro Toronto and the rural north experienced a drop in net long term debt outstanding per household over 1979. Metro Toronto dropped 8.8 percent, and the rural north dropped 4.5 percent. The largest increase of 17.4 percent was in the cities north.

As in past years, debt outstanding for environmental services was the largest liability per household reported by all groups. All sectors showed increases in environmental debt per household over 1979, except Metro Toronto and the rural north. The cities in the north increased 8.4 percent; the regions 3.6 percent; the cities south 0.7 percent; and the rural south

Net Long Term Debt Outstanding Per Household By Function

Table 6-6

	Metro Toronto					
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
General Government	40	36	36	29	(27.2)	(19.0)
Protection	57	60	63	57	(0.0)	(10.5)
Transportation	363	425	316	273	(24.8)	(13.5)
Environment	472	466	481	451	(4.6)	(6.1)
Health and Social Services	145	158	192	265	83.2	36.2
Culture and Recreation	232	218	213	195	(16.3)	(8.7)
Planning and Development	33	30	30	23	(31.0)	(24.0)
TOTAL	1,342	1,393	1,331	1,293	(2.7)	(2.9)

	Regions					
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
General Government	26	23	25	23	(11.5)	(8.0)
Protection	35	34	36	37	5.7	3.1
Transportation	195	187	174	172	(11.7)	(1.2)
Environment	452	468	475	492	8.8	3.6
Health and Social Services	67	61	54	50	(25.6)	(7.6)
Culture and Recreation	114	108	102	97	(14.9)	(4.9)
Planning and Development	56	64	62	67	19.1	8.1
TOTAL	945	945	928	938	(1.0)	1.1

Net Long Term Debt Outstanding Per Household By Function Table 6-6 (Cont.)

Cities South						
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
General Government	30	29	24	24	(19.9)	(0.0)
Protection	41	38	35	34	(17.6)	(2.9)
Transportation	199	207	206	192	(3.7)	(6.7)
Environment	430	427	420	423	(1.6)	0.8
Health and Social Services	26	24	20	21	(20.3)	5.0
Culture and Recreation	73	69	64	65	(10.1)	1.6
Planning and Development	31	41	73	105	237.9	43.4
TOTAL	830	835	842	864	(4.1)	2.6

Cities North						
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
General Government	64	60	56	53	(17.3)	(5.8)
Protection	62	74	70	65	5.5	(6.2)
Transportation	154	164	149	172	11.8	15.0
Environment	405	494	515	558	37.7	8.4
Health and Social Services	42	35	29	23	(45.3)	(20.7)
Culture and Recreation	73	73	66	60	(16.9)	(8.9)
Planning and Development	45	58	96	109	139.3	13.3
TOTAL	845	958	981	1,040	23.1	6.0

Rural South						
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
General Government	14	14	14	13	(7.1)	(7.1)
Protection	10	10	11	11	10.0	0.0
Transportation	24	27	27	28	14.3	3.7
Environment	165	161	163	168	1.8	3.7
Health and Social Services	15	14	11	12	(20.0)	9.1
Culture and Recreation	21	21	20	20	(4.8)	(0.0)
Planning and Development	102	119	134	160	56.9	19.4
TOTAL	351	366	380	412	17.4	8.4

Rural North						
	1977	1978	1979	1980	1980/77	1980/79
	\$	\$	\$	\$	% Change	% Change
General Government	24	18	19	14	(41.6)	(26.3)
Protection	12	18	11	10	(16.7)	(9.1)
Transportation	20	17	21	17	(15.0)	(19.1)
Environment	156	145	146	137	(12.2)	(6.1)
Health and Social Services	33	34	31	29	(12.1)	(6.5)
Culture and Recreation	29	29	26	23	(20.7)	(11.5)
Planning and Development	23	31	34	36	56.5	5.9
TOTAL	297	292	288	266	(11.0)	(7.7)

3.7 percent. Metro Toronto's debt per household decreased 6.1 percent and the rural north's 6.1 percent.

Transportation, the second largest liability in urban municipalities, showed increases of 13.5 percent for Metro Toronto; 1.2 percent for the Regions; 6.7 percent for the cities south; and 15.0 percent for the cities north.

Most functions showed a downward trend over 1979. Those that did increase were within the 10.0 percent range, with a few exceptions. For planning and development, the cities north reported an increase of 13.3 percent; the rural south 19.4 percent; and the cities south 43.4 percent. For the cities south the debt for planning and development of \$105 per household accounts for 11.3 percent of total debt per household. For health and social services, Metro Toronto reported an increase of 36.2 percent; and for transportation the cities north reported an increase of 15.0 percent.

Annual Capital Expenditures Financed From Revenue Fund

Total debt charges were \$683 billion in 1980; a 3.3 percent increase over 1979. While total debt charges remained fairly constant between 1979 and 1980, capital expenditures financed from the revenue fund showed significant increases. Revenue fund contributions to the capital fund in the municipal sector increased 19.2 percent, and for the school boards 108.7 percent. This is the result of local governments using their current operating revenue to reduce unfinanced capital expenditures without increasing long term borrowing.

Annual Capital Expenditures Financed From Revenue Fund					Table 6-7	
	1977	1978	1979	1980	1980/77	1980/79
	\$ Million	\$ Million	\$ Million	\$ Million	% Change	% Change
Total Debt Charges						
Municipal	385	427	445	469	22.2	4.0
School	213	209	216	214	0.5	(0.9)
Subtotal	598	636	651	683	14.2	3.3
Capital Expenditures Financed From Revenue Fund						
Municipal	194	209	230	274	48.3	19.2
School	63	81	69	144	128.6	108.7
Subtotal	257	290	299	418	39.8	39.9
Total Debt Charges and Capital Expenditures from Revenue Fund	855	926	950	1,101	24.4	14.7
Debt Charges as Per Cent of Revenue Fund Expenditures						
Municipal	10.1	10.5	9.7	9.4	N/A	N/A
School	6.1	5.4	5.4	5.0	N/A	N/A
Capital Expenditures as Per Cent of Revenue Fund Expenditures						
Municipal	5.1	5.1	5.0	5.5	N/A	N/A
School	1.8	2.1	1.7	3.3	N/A	N/A
Total as Per Cent of Revenue Fund Expenditures	11.7	15.6	11.2	14.9	N/A	N/A

Annual Municipal Capital Expenditures Financed from Revenue by Sector

Debt charges per household range from \$229 per household in Metro to \$50 in the rural north. The increase over 1979 was nominal in most sectors; the largest increase of 5.5 percent occurred in Metro Toronto.

Capital fund expenditures financed from the revenue fund showed substantial increases over 1979, except for cities in the north, which showed a decrease of 7.1 percent. The largest increase, 36.8 percent was in Metro Toronto and the smallest increase, 7.4 percent, was in the cities south.

Overall, this trend of local governments to keep new long term borrowing to a minimum kept debt charges fairly constant. On the other hand, the trend to finance capital projects from current operating revenues was steadily increasing to compensate for the restraint in new long term borrowing.

Annual Municipal Capital Expenditures Per Household
Financed From Revenue Fund

Table 6-8

	Metro Toronto					
	1977 \$	1978 \$	1979 \$	1980 \$	1980/77 % Change	1980/79 % Change
Total Debt Charges	192	217	217	229	19.3	5.5
Capital Expenditures Financed From Revenue Fund	53	59	68	93	75.9	36.8
Total Debt Charges and Capital Expenditures From Revenue Fund	245	276	285	322	31.4	13.0
Debt Charges as Percent of Revenue Fund Expenditures	11.6	12.3	11.6	11.0	N/A	N/A
Capital Expenditures as Percent of Revenue Fund Expenditures	3.2	3.0	3.6	5.0	N/A	N/A
Total as Percent of Revenue Fund Expenditures	14.8	15.3	15.3	16.0	N/A	N/A
	Regions					
	1977 \$	1978 \$	1979 \$	1980 \$	1980/77 % Change	1980/79 % Change
Total Debt Charges	128	134	139	139	8.6	0.0
Capital Expenditures Financed From Revenue Fund	62	64	70	75	20.1	7.1
Total Debt Charges and Capital Expenditures From Revenue Fund	190	198	209	214	12.6	2.4
Debt Charges as Percent of Revenue Fund Expenditures	10.2	10.3	7.8	9.1	N/A	N/A
Capital Expenditures as Percent of Revenue Fund Expenditures	5.0	4.0	5.1	5.0	N/A	N/A
Total as Percent of Revenue Fund Expenditures	15.2	14.3	15.1	14.1	N/A	N/A

Annual Municipal Capital Expenditures Per Household
Financed From Revenue Fund

Table 6-8
(Cont.)

	Cities South					
	1977 \$	1978 \$	1979 \$	1980 \$	1980/77 % Change	1980/79 % Change
Total Debt Charges	128	131	137	140	9.2	2.2
Capital Expenditures Financed From Revenue Fund	53	56	54	58	9.4	7.4
Total Debt Charges and Capital Expenditures From Revenue Fund	181	187	191	198	9.4	3.8
Debt Charges as Percent of Revenue Fund Expenditures	11.2	11.3	11.2	10.3	N/A	N/A
Capital Expenditures as Percent of Revenue Fund Expenditures	4.6	4.0	4.4	4.0	N/A	N/A
Total as Percent of Revenue Fund Expenditures	15.8	15.3	15.6	14.3	N/A	N/A
	Cities North					
	1977 \$	1978 \$	1979 \$	1980 \$	1980/77 % Change	1980/79 % Change
Total Debt Charges	126	133	148	150	19.0	1.4
Capital Expenditures Financed From Revenue Fund	85	79	98	91	7.1	(7.1)
Total Debt Charges and Capital Expenditures From Revenue Fund	211	212	246	240	13.7	(2.4)
Debt Charges as Percent of Revenue Fund Expenditures	8.5	8.7	9.2	8.3	N/A	N/A
Capital Expenditures as Percent of Revenue Fund Expenditures	5.7	4.8	6.1	5.8	N/A	N/A
Total as Percent of Revenue Fund Expenditures	14.3	13.5	15.3	14.1	N/A	N/A
	Rural South					
	1977 \$	1978 \$	1979 \$	1980 \$	1980/77 % Change	1980/79 % Change
Total Debt Charges	51	56	62	65	27.5	0.1
Capital Expenditures Financed From Revenue Fund	79	78	84	96	23.1	17.0
Total Debt Charges and Capital Expenditures From Revenue Fund	130	134	146	161	24.8	12.6
Debt Charges as Percent of Revenue Fund Expenditures	6.3	6.8	6.9	6.7	N/A	N/A
Capital Expenditures as Percent of Revenue Fund Expenditures	9.7	9.3	9.4	9.6	N/A	N/A
Total as Percent of Revenue Fund Expenditures	16.0	16.1	16.3	16.3	N/A	N/A

Annual Municipal Capital Expenditures Per Household
Financed From Revenue Fund

Table 6-8
(Cont.)

	Rural North					
	1977 \$	1978 \$	1979 \$	1980 \$	1980/77 % Change	1980/79 % Change
Total Debt Charges	49	51	48	50	1.9	4.2
Capital Expenditures Financed From Revenue Fund	91	114	128	140	54.4	10.3
Total Debt Charges and Capital Expenditures From Revenue Fund	140	165	176	190	36.1	8.1
Debt Charges as Percent of Revenue Fund Expenditures	4.5	4.7	4.1	3.9	N/A	N/A
Capital Expenditures as Percent of Revenue Fund Expenditures	8.3	9.0	10.8	11.0	N/A	N/A
Total as Percent of Revenue Fund Expenditures	12.8	13.7	14.9	14.9	N/A	N/A

Chapter 7

Year End Position

Revenue Fund

At the end of 1980, local government had accumulated a revenue fund surplus of \$240 million, an increase of \$8 million or 3.4 percent over 1979. The current surplus represented about 5.7 percent of the total taxes levied in 1980.

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
Municipalities						
Beginning of Year	158	160	166	209	32.3	25.9
Add: Revenues	3,829	4,227	4,615	5,138	34.2	11.3
Less: Expenditures	3,827	4,221	4,572	5,148	34.5	12.6
End of Year	160	166	209	199	24.4	(4.8)
Percent of Tax Levy	9.6	9.3	10.6	9.2		
School Boards						
Beginning of Year	18	43	19	23	27.8	21.1
Add: Revenues	3,498	3,737	4,019	4,471	27.8	11.2
Less: Expenditures	3,473	3,761	4,015	4,453	28.2	10.9
End of Year	43	19	23	41	(4.7)	78.3
Percent of Tax Levy	2.8	1.1	1.3	2.0		
Total Local Sector						
Beginning of Year	176	203	185	228	31.8	25.4
Add: Revenues	7,327	7,964	8,630	9,609	31.1	11.3
Less: Expenditures	7,300	7,982	8,587	9,601	31.5	11.8
End of Year	203	185	228	236	18.2	3.4
Percent of Tax Levy	6.4	5.4	6.1	5.7		

The \$240 million year-end accumulated surplus was comprised of \$199 million from the municipal sector and \$41 million from school boards. The school board increase of 78.3 percent offset the municipal decrease of 2.4 percent for a net increase of 3.4 percent. As a percentage of total taxation, the municipal surplus equalled 9.2 percent compared to 10.6 percent in the previous year and the school board surplus amounted to 2.0 percent compared to 1.3 percent in 1979.

The 1980 municipal revenue fund year-end balance dropped significantly from previous years when expressed as a percentage of the tax levy. Metro Toronto had the largest surplus at

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Revenue Fund						
Surplus at Beginning of Year	80	55	24	5	34	6
Add: Revenues	1,745	1,837	572	191	629	162
Less: Expenditures	1,741	1,840	580	192	631	163
Surplus at end of Year	84	52	16	4	32	5
Percent of Tax Levy	5.6	3.5	3.4	4.0	6.8	5.8

\$84 million, 5.6 percent of the tax levy. Rural municipalities in the north and south showed the highest ratios of surplus to tax levy, with percentages of 5.8 and 6.8 respectively.

Capital Fund

The level of unfinanced capital expenditures for the total local sector was \$157 million, a decrease of 16.9 percent from 1979. The year-end unfinanced capital outlay for both the municipal sector and school boards was lower than the balance at the beginning of the year. The total local sector year-end balance expressed as a percentage of capital expenditures decreased from 14.1 percent in 1979 to 11.0 percent in 1980.

Capital Fund Position at Year End

Table 7-3

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
Municipalities						
Beginning of Year	188	74	183	166	(11.7)	(9.3)
Less: Revenues	1,250	1,080	1,215	1,276	2.1	5.0
Add: Expenditures	1,136	1,189	1,198	1,261	11.0	5.3
End of Year	74	183	166	151	104.1	(9.0)
Percent of Capital Expenditures	6.5	15.4	13.9	12.4		
School Boards						
Beginning of Year	5	12	14	23	360.0	64.3
Less: Revenues	121	168	129	189	56.2	46.5
Add: Expenditures	128	170	138	172	34.4	24.6
End of Year	12	14	23	6	(50.0)	(73.9)
Percent of Capital Expenditures	9.4	8.2	16.7	3.5		
Total Local Sector						
Beginning of Year	193	86	197	189	(2.1)	(4.1)
Less: Revenues	1,371	1,248	1,344	1,465	6.9	9.0
Add: Expenditures	1,264	1,359	1,336	1,433	13.4	7.3
End of Year	86	197	189	157	82.6	(16.9)
Percent of Capital Expenditures	6.8	14.5	14.1	11.0		

The unfinanced capital outlay at year-end ranged from \$49 million in the regions to a small surplus or unexpected capital financing of \$3 million in Metro Toronto. Cities in the north and south had the highest relative unfinanced capital expenditures of 25.3 and 33.1 percent of capital expenditures respectively.

1980 Municipal Capital Fund Position at Year End (\$ Million)

Table 7-4

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Unfinanced Capital Outlay						
at Beginning of Year	17	49	41	14	41	4
Less: Revenues	291	524	132	44	235	49
Add: Expenditures	271	524	136	40	241	49
Unfinanced Capital Outlay						
at End of Year	(3)	49	45	10	47	4
Percent of Capital Exp.	(1.1)	9.4	33.1	25.3	19.4	8.2

Reserves and Reserve Funds

Total local sector reserves and reserve funds increased during the year by \$141 million to a year-end balance of \$1,157 million. This represented an increase of 13.9 percent, more than 2.0 percentage points higher than the increase in the previous year. Reserves and reserve funds grew at a faster rate in 1980 than the total revenues received by local governments. Therefore, reserves and reserve funds balances compared to total revenues increased at 10.6 percent in 1980.

Municipal reserves and reserve funds increased by the year-end to over one billion dollars. Reserves increased by about 20 percent and reserve funds increased by about 10 percent in 1980 for an overall increase of 13.8 percent.

School board reserves and reserve funds increased by 14.4 percent from 1979. Reserve funds increased by 16.4 percent and reserves increased by about 12 percent.

Balance of Reserves and Reserve Funds at Year End

Table 7-5

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change
Municipalities						
Reserves	278	317	341	409	47.1	19.9
Reserve Funds	428	485	543	597	39.5	9.9
Subtotal	706	802	884	1,006	42.5	13.8
Percent of Total Revenues	13.9	15.4	15.2	15.7		
School Boards						
Reserves	59	58	59	66	11.9	11.9
Reserve Funds	40	51	73	85	112.5	16.4
Subtotal	99	109	132	151	52.5	14.4
Percent of Total Revenues	2.8	2.9	3.2	3.3		
Total Local Sector						
Reserves	337	375	400	475	40.9	18.8
Reserve Funds	468	536	616	682	45.7	10.7
Subtotal	805	911	1,016	1,157	43.7	13.9
Percent of Total Revenues	9.5	10.3	10.5	10.6		

Municipalities accounted for about 87 percent of total local sector reserves and reserve funds in 1980. The regions had the highest level of reserves and reserve funds on a per household comparison at \$420 and cities in the south had the lowest level at \$221.

Municipal Balance Per Household At Year End

Table 7-6

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Reserves	139	144	71	120	104	164	126
Reserve Funds	112	276	150	219	122	181	184
TOTAL	251	420	221	339	226	345	310

The largest component of the reserves and reserve funds are lot levies, which accounted for 16.8 percent of the total year-end balance. The provincial average for lot levy reserves remained constant at \$52 per household.

Lot levies and development charges are an important source of revenue for high growth municipalities. Regions and cities in the south had the highest per household level with \$94 and

\$30 respectively. In contrast, Metro Toronto had a relatively low year-end balance of \$7 per household or 2.8 percent of total reserves and reserve funds balance.

1980 Lot Levy Reserve Funds Per Household

Table 7-7

	Metro Toronto \$	Regions \$	Cities South \$	Cities North \$	Rural South \$	Rural North \$	Province \$
Beginning of Year	7	95	28	17	15	2	52
Add: Revenues	4	55	6	0	4	2	23
Less: Expenditures	4	56	4	0	4	0	23
Year End Balance	7	94	30	17	15	4	52
Percent of Total Balance	2.8	22.4	13.6	5.0	6.6	1.2	16.8

Tax Collections and Arrears

In 1980, both total taxes levied by local government and total tax collections increased by 11.2 percent. Although the current year's collections dropped slightly from 95.1 percent of the tax levy in 1979 to 94.5 percent in 1980, the previous year's collections increased moderately from 3.9 percent to 4.4 percent. Overall tax collections were 100.3 percent of the levy.

Tax arrears increased by 9.9 percent over the previous year to a total of \$300 million. Taxes uncollected at the year-end were 7.1 percent of the tax levy, approximately the same percentage as in prior years.

1980 Local Government Tax Roll

Table 7-8

	1977 \$ Million	1978 \$ Million	1979 \$ Million	1980 \$ Million	1980/77 % Change	1980/79 % Change Tax	Percent of Levy
Taxes Uncollected at the Beginning of Year	208	234	247	273	31.2	10.5	6.5
Additions to Tax Roll							
Interim and Final Tax Billings	3,133	3,376	3,712	4,111	31.2	10.7	97.6
Sewer Charges Collected On Water Bills	57	73	83	103	80.7	24.1	2.4
Total Taxes	3,190	3,449	3,795	4,214	32.1	11.0	100.0
Penalties and Interest Added	26	29	32	41	57.7	28.1	1.0
TOTAL	3,216	3,478	3,827	4,255	32.3	11.2	101.0
Reductions							
Collections: Current Year	2,996	3,259	3,605	3,983	32.9	10.5	94.5
Previous Year	130	154	148	184	41.5	24.3	4.4
Discounts and Reductions	49	52	48	61	24.5	27.1	1.4
TOTAL	3,175	3,465	3,801	4,228	33.2	11.2	100.3
Tax Uncollected at Year End							
Current	183	188	207	222	21.3	7.2	5.3
Previous Year	37	42	46	56	51.4	21.7	1.3
Prior Year	14	17	20	22	57.1	10.0	0.5
TOTAL	234	247	273	300	28.2	9.9	7.1

Total taxes in arrears increased from \$80 per household in 1979 to \$92 in 1980. The current year arrears per household did not change by a significant amount from 1979. However, the prior year's arrears per household increased from \$14 in 1979 to \$24, up 71.4 percent in one year.

Tax Collections and Arrears

Table 7-9

	1977	1978	1979	1980
Collections* as Percent of Levy (%)				
Current Year	94.2	95.0	94.7	94.6
Prior Years	<u>4.4</u>	<u>4.7</u>	<u>3.9</u>	<u>4.3</u>
TOTAL	98.6	99.7	98.6	98.9
Arrears as Percent of Levy (%)				
Current Years	5.7	5.0	5.5	5.2
Prior Years	<u>1.6</u>	<u>2.1</u>	<u>1.2</u>	<u>1.8</u>
TOTAL	7.3	7.1	6.7	7.0
Arrears Per Household (\$)				
Current Year	59	55	66	68
Prior Years	<u>17</u>	<u>24</u>	<u>14</u>	<u>24</u>
TOTAL	76	79	80	92

*Collections include Penalties and Interest

Cities in the north had the highest level of tax collections and the second lowest level of arrears when expressed as a percentage of tax levy. The highest tax arrears as a percentage of the tax levy were in the rural areas. However, the highest tax arrears per household was in Metro Toronto in \$100 and the lowest was in northern cities at \$67.

1980 Tax Collections and Arrears by Municipal Area

Table 7-10

	Metro Toronto	Regions	Cities South	Cities North	Rural South	Rural North
Collections as Percent of levy (%)						
Current Year	94.6	94.3	93.6	96.6	93.2	93.0
Prior Years	<u>4.5</u>	<u>4.1</u>	<u>3.8</u>	<u>3.1</u>	<u>6.5</u>	<u>5.6</u>
TOTAL	99.1	98.4	97.4	99.7	99.7	98.6
Arrears as Percent of Levy (%)						
Current Year	3.8	4.8	5.0	4.0	8.4	6.9
Prior Years	<u>1.8</u>	<u>2.3</u>	<u>2.4</u>	<u>1.9</u>	<u>4.4</u>	<u>4.2</u>
TOTAL	5.6	7.1	7.4	5.9	12.8	11.1
Arrears Per Household (\$)						
Current Year	68	62	57	45	63	52
Prior Years	<u>32</u>	<u>29</u>	<u>28</u>	<u>22</u>	<u>33</u>	<u>31</u>
TOTAL	100	91	85	67	96	83

PART II. THE ONTARIO UNCONDITIONAL GRANTS PROGRAM

Chapter 1

The Ontario Unconditional Grants Program—Overview

Introduction

The Ontario Unconditional Grants Program transfers funds from the Province of Ontario to municipalities to subsidize the cost of municipal services. The revenues transferred are paid into the general revenue fund of the municipalities and can be used in accordance with local priorities. This is true even though one of the components of the Program has been labelled "the police per capita grant". Unlike the payments made by the Province through other grant programs, the actual grant entitlement to be received by a municipality is not dependent on the level of spending on a particular function or service. Grants are based, instead, on a municipality's population and its total tax levy. The Program, therefore, is relatively neutral in its effect on municipal spending decisions.

Unconditional grants were introduced in Ontario in 1937. The major expansion, however, came in 1973. The grants have been a relatively stable proportion of total municipal revenue since that time.

Unconditional Grants and Total Municipal Revenues, 1973-1982 Table 1-1

Year	Unconditional* Grants \$ Million	Municipal Revenue Fund Revenues \$ Million	Grants as % of Total
1973	200	2,565	7.8
1974	261	2,926	8.9
1975	329	3,060	10.8
1976	349	3,419	10.2
1977	409	3,822	10.7
1978	455	4,275	10.6
1979	476	4,615	10.3
1980	525	5,124	10.2
1981 (preliminary)	582	N/A	
1982 (estimate)	649	N/A	

*Numbers may not agree with those in the Ontario Budget 1973-1982 which reports on the provincial fiscal year.

Within the framework of total provincial funding to municipalities, the unconditional grants have fluctuated between 24.9 and 28.6 percent of the total.

Provincial Funding to Municipalities, 1973-82 Table 1-2

Year	Unconditional Grants \$ Million	Conditional Grants \$ Million	Total Grants \$ Million	Unconditional as % of Total
1973	200	594	794	25.1
1974	261	727	988	26.4
1975	329	992	1,321	24.9
1976	349	1,016	1,365	25.6
1977	409	1,122	1,531	28.6
1978	455	1,174	1,629	27.9
1979	476	1,250	1,726	27.6
1980	525	1,424	1,949	26.9
1981 (preliminary)	582	1,451	2,033	28.6
1982 (estimate)	649	1,828	2,477	26.2

In 1982, the Province will transfer approximately \$649 million to municipalities through the Unconditional Grants Program. Forecasted municipal revenues from taxation will be roughly \$2.7 billion in the same year. Consequently, in the absence of the Unconditional Grants Program, municipal taxes would have to go up by about 25.0 percent.

The Unconditional Grants Program is composed of six individual component grants. These fall into two broad categories. One category is the per capita grants, which include the general, police and density per capita grants. The other category is the levy-based grants, which include the general and northern special support grants as well as the resource equalization grant.

The six grants were introduced at various points in time. Some form of general per capita grant has existed for many years and other per capita grants were brought in during the early 1970's. The three levy based grants were introduced simultaneously as part of a major increase in provincial funding of the municipal sector in 1973. Changes in the rate structures and formulae used to calculate grant entitlements have occurred at various times during the last ten years. The development of each grant will therefore be traced independently.

An overview of the dollars involved in the various grants is shown below:

Summary of Ontario Unconditional Grants Program						Table 1-3
	1973 \$ Million	1980 \$ Million	1981* \$ Million	1982** \$ Million	1982/1973 % Change	1982/1981 % Change
General Per Capita	52	77	78	97	86.5	23.0
Police Per Capita	25	95	110	113	352.0	2.7
Density Per Capita	3	5	5	5	66.6	—
General Support	53	161	181	201	279.2	11.0
Special Support	10	44	48	55	450.0	14.6
Resource Equalization	57	143	159	178	212.2	11.9
TOTAL	200	525	582	649	224.5	11.3

* Preliminary
** Estimate

The detailed figures shown in this publication for any given year may appear to differ from those reported by municipalities or shown in other provincial publications. The discrepancies occur because municipalities report the actual payments they receive, and these may vary from their entitlements due to minor year-to-year adjustments. Also, in some instances the Province has chosen to prepay grants. For example, the Province paid \$35 million in respect of 1982 entitlements within its 1981 fiscal year. These prepayments do not cause any budgetary distortions for municipalities. Rather they mean an acceleration in municipalities' cash flow.

Chapter 2

The Per Capita Grants

Introduction

The per capita grants are based on a municipality's enumerated population adjusted for grants purposes. They were the first unconditional transfers introduced by the Province. The general per capita grant was initiated in 1954 to provide a basic level of assistance to subsidize the cost of municipal services. This was followed in 1970 by the density and police per capita grants, which were paid to regional municipalities.

Prior to 1974, the per capita grants were based on the census figures available from Statistics Canada. These figures were updated every five years. In the mid-1970's many municipalities were going through a period of rapid growth. To provide a more up-to-date base for the per capita grants, annual provincial census figures were substituted for the federal figures in the grant calculations.

Further adjustments were made to account for temporary population. Starting in 1980, in instances where it benefitted a municipality, the population figure was modified to reflect an average of the current year's census population and the grants population for the prior two years. This feature is still in effect.

In 1981, the Ministry of Revenue conducted only a partial census. Consequently, for the purposes of calculating 1982 grants, the basic population data for each municipality was estimated based on the population per household ratio in 1981 and the number of assessed households in 1982.

In 1982 the per capita grants will amount to a total of \$214 million, or about 35 percent of the funding provided by the Unconditional Grants Program. The details by grant and municipal sector are shown in Table 2-1 below.

Per Capita Grants by Sector, 1982 Estimates

Table 2-1

	General Per Capita Grant	Police Per Capita Grant	Density Per Capita Grant	Total Per Capita Grant
	\$ Millions	\$ Millions	\$ Millions	\$ Millions
Metro	24.1	37.2	—	61.3
Regions	36.7	51.4	5.7	93.8
Cities in South	12.3	13.5	—	25.8
Cities in North	3.2	3.5	—	6.7
Rural South	16.6	5.3	—	21.9
Rural North	3.3	1.5	—	4.8
Total	96.2	112.4	5.7	214.3

General Per Capita Grant

The general per capita grant was introduced to provide a general subsidy for the provision of municipal services. The initial grant entitlements were based on a combination of municipal status and population size. The rate schedule set the highest rates for metropolitan, regional and city municipalities while townships were paid the lowest rate. Within each category of municipality, the grant rate was determined by population size.

In 1972, a new rate schedule was introduced merging the various schedules into one schedule with progressive rates related basically to population. This had been recommended by the Ontario Committee on Taxation. The increments in the rate schedule were also revised so that increased grant rates only applied to the marginal increase in population.

Previously, if a municipality's population was above a category limit its whole grant would be calculated at the higher per capita rate. Regional governments were paid a flat rate per capita which was above the highest rate of the graduated schedule. Table 2-2 shows the rate schedule that was in place in 1973 as well as the changes which occurred in the rates up to the present time.

General Per Capita Grant Rates, 1972-82

Table 2-2

	1972-1973 \$	1974-1976 \$	1977-1981 \$	1982 \$
Schedule	5.05 - 7.10	6.00 - 8.00	7.00 - 9.00	11.00
Region	8.00	9.00	10.00	11.00

The grant schedule was eliminated in 1982 so that all municipalities would receive the same basic level of funding from the Province. There is now a uniform rate of \$11 per capita.

At one time, the general per capita grants provided tax relief for residential property owners only. The residential mill rate was reduced by the mill rate equivalent of the grant. This produced a split mill rate. The mill rate split in a municipality varied considerably as the residential-commercial mix varied. The greater the commercial share of local assessment the wider the mill rate split. In 1975, to eliminate these variations, the Province legislated a standard 15 percent mill rate differential for all municipalities. The general per capita grant was then removed from the calculation of mill rates.

These grants are paid to regional municipalities and to the lower tier municipalities in the counties and districts. Prior to 1982, the regional municipalities had been required to reduce the requisition on each of their area municipalities by the amount of their per capita grant entitlement. Starting in 1982, the payments to regional municipalities are treated as general revenue of the region, and are used to reduce overall requirements.

The total grant paid out each year has grown significantly since 1973 as is shown in Table 2-3. The major increases in the total grant payments occurred when the rate schedules were raised in 1974, 1977 and 1982. Otherwise the growth in the grant was dependent upon population growth, which has averaged just over one percent annually since 1973. The increase in 1974 was due to both an increase in rates and to the change from federal census to provincial census data.

General Per Capita Grant, 1973-1982

Table 2-3

Year	Amount \$000	Annual % Change	Year	Amount \$000	Annual % Change
1973	52,238		1978	75,904	1.2
1974	63,025	20.6	1979	76,425	0.6
1975	64,240	1.9	1980	77,410	1.3
1976	65,600	2.1	1981(prel.)	78,000	0.8
1977	75,000	14.3	1982(est.)	97,000	24.4

Police Per Capita Grant

The police per capita grant was introduced in 1970 to assist regional municipalities in absorbing the cost of the amalgamation of area police forces and the cost of the expansion into rural municipalities which had previously been policed free of charge by the O.P.P. The grant was initially set at \$1.50 per capita and was only available to regional municipalities which had established regional police forces. In 1972, the grant was extended to cover all municipalities having a police force or a contract with the O.P.P. A differential rate was also established to continue to offer regional municipalities additional support in recognition of their unique servicing requirements. The 1982 rates are \$17 per capita for regional municipalities with regional police forces and \$12 for municipalities with local police or O.P.P. contracts. Table 2-4 outlines the rate changes which have occurred over the last decade.

Police Per Capita Grant Rates, 1970-1982 Table 2-4

	1970-1971	1972	1973	1974	1975-1976	1977-1980	1981-1982
	\$	\$	\$	\$	\$	\$	\$
Regional	1.50	3.25	5.00	7.00	12.00	15.00	17.00
Other	N/A	1.75	3.00	5.00	8.00	10.00	12.00

As with the general per capita grants, the amounts paid to regions are used to reduce their overall requirements and are no longer allocated to the area municipalities' requisition. In the Region of Ottawa-Carleton and the restructured County of Oxford, some area municipalities provide local policing. In 1982, the grant is being paid to them directly rather than to the upper tier, which had previously received the grant directly and had allocated the payment according to the above procedure.

Total funding through the police per capita grant has grown substantially since its inception, as indicated in Table 2-5. As the case of the general per capita, the major increases occurred when the rates were changed.

Police Per Capita Grant, 1973-1982 Table 2-5

Year	Amount \$000	Annual % Change	Year	Amount \$000	Annual % Change
1973	24,852		1978	93,023	1.2
1974	41,712	67.8	1979	93,542	0.6
1975	71,164	70.6	1980	94,724	1.3
1976	72,700	2.2	1981(prel.)	110,000	16.1
1977	92,000	26.5	1982(est.)	113,000	2.7

Density Per Capita Grant

The density grant is paid to area municipalities in regions. The grant rate is based on the number of households per hectare. The specific rates are shown in the table below.

Density Per Capita Grant Schedule Table 2-6

Density (Households/ha.)	Per Capita Amount \$
0.15 and under	5
Over 0.15 to 0.30	4
Over 0.30 to 0.40	3
Over 0.45 to 0.60	2
Over 0.60 to 0.75	1
Over 0.75	Nil

The density per capita grant has not had rate changes since its inception in 1970. Prior to 1982, the grant was paid to the regional municipality, which credited the grant against the amount it levied on the appropriate lower tier municipality. The level of funding has remained relatively stable at around \$5 million since 1974, when it virtually doubled as a result of the creation of five new regional governments.

Density Per Capita Grant, 1973-1982

Table 2-7

Year	Amount \$000	Annual Change %	Year	Amount \$0000	Annual Change %
1973	2,909		1978	5,402	2.3
1974	5,003	71.9	1979	5,361	(0.8)
1975	5,420	8.3	1980	5,285	(1.4)
1976	5,478	1.1	1981(prel.)	5,409	(2.3)
1977	5,530	0.9	1982(est.)	5,565	2.9

Chapter 3

Levy Based Grants

Introduction

The levy-based grants are paid as a percentage of a municipality's net levy for grants purposes. The latter consists of the prior year's own purpose tax levy; revenues from water and sewer billings, payments in lieu of taxes, prepaid special charges, as well as its previous year's levy-based grant payments.

The three levy-based grants were introduced in 1973 as part of a comprehensive package of reforms which greatly increased provincial funding of local government. The levy-based unconditional grants provided funds to municipalities to stabilize increases in property taxes.

Initially, the levy base used for grant calculations was simply the prior year's tax levy and payments in lieu of taxes. In 1973, with the sudden increase in unconditional grants, particularly the levy-based grants, tax levies, and thus the potential 1974 grant base, were reduced significantly. Consequently, in 1974, the levy base for grant calculations was expanded to include the prior year's entitlements for the levy based unconditional grants.

The most significant change in the definition of net levy since 1973 has been the inclusion of water and sewer charges. This change was made in 1978 in response to a recommendation of the Provincial-Municipal Grants Reform Committee.

In 1982, the levy-based grants amount to \$435 million, or 65 percent of the total Unconditional Grants Program. Table 3-1 provides details for each grant by municipal sector.

Levy-Based Grants By Sector 1982 Estimates

Table 3-1

	General Support Grant	Northern Special Support Grant	Resource Equalization Grant	Total
	\$ Million	\$ Million	\$ Million	\$ Million
Metro	65.3	—	19.4	84.7
Regions	78.1	13.1	49.2	140.4
Cities in South	25.6	—	37.1	62.7
Cities in North	7.9	23.7	42.5	74.1
Rural South	16.3	—	15.2	31.5
Rural North	6.3	18.9	16.4	41.6
Total	199.5	55.7	179.8	435.0

General Support Grant

The general support grant is paid directly to all municipalities, including counties and regional municipalities. The grant is equal to 6 percent of the net levy.

The general support grant originally took the form of a variable rate subsidy, which was inversely related to the rate of growth of municipal expenditures. As the growth in expenditures increased, the grant rate decreased and vice versa. This was designed to provide an incentive for municipalities to constrain their spending increases and so pass on the benefits of the grant to the taxpayer instead of using the funds to increase spending. In 1974, the grant rates were increased, as detailed in Table 3-2.

General Support Grant Rate Schedule, 1973-1974

Table 3-2

Spending Growth Rate %	Grant Rate	
	%	%
	1973	1974
8 or less	6	9
9	5	8
10	4	7
11	3	6
12	2	5
13	2	4
14 or more	2	3

In 1975, the sliding rate was replaced by a flat rate of 6 percent, which has continued up to and including 1982. Municipalities which were receiving a grant rate greater than 6 percent in 1974 were guaranteed at least 95 percent of their previous year's general support grant entitlement

Total transfers through the grant are listed in Table 3-3. The particularly high increases in 1974 and 1975 reflect the rate schedule increase and the move to a common 6 percent (with the guarantee provision). Since 1975, the increases generally reflect increases in municipal levies except for the change in the definition of the levy base to include sewer and water charges in 1978.

General Support Grant, 1973-1982

Table 3-3

Year	Amount \$000	Change %	Year	Amount \$000	Change
1973	52,752		1978	134,062	23.4
1974	69,410	31.9	1979	147,569	10.1
1975	88,904	28.1	1980	160,510	8.8
1976	94,381	6.2	1981 (prel.)	178,400	11.1
1977	108,911	15.5	1982 (est.)	201,000	12.7

Northern Support Grant

Special support grants were introduced in 1973 to provide assistance to two areas in the Province, northern Ontario and the District of Parry Sound. The northern support grant rate was originally set at 10 percent of the net levy and was increased to 12 percent in 1974, 15 percent in 1975 and 18 percent in 1977. The Parry Sound support grant was established at 7.5 percent of the levy and remained at that level until 1977 when it was increased to 18 per cent. The two grants are now generally referred to as the northern special support grant.

Provincial support to municipalities through the northern special support grant has grown as follows:

Northern Special Support Grants, 1973-1982

Table 3-4

Year	Amount \$000	Change %	Year	Amount \$000	Change %
1973	10,090		1978	36,983	23.0
1974	12,182	20.7	1979	40,469	9.4
1975	18,549	52.3	1980	44,115	9.0
1976	22,333	20.4	1981 (prel.)	49,200	11.5
1977	30,068	34.6	1982 (est.)	55,100	5.9

Resource Equalization Grant

Resource equalization grants are paid to municipalities which have an equalized assessment per capita that is below the provincial standard.

A municipality's equalized assessment is calculated by summing residential and farm assessment, commercial, industrial and business assessment, and an equivalent assessment in respect of payments in lieu of taxes. This sum is converted to an equalized assessment using the equalization factors published by the Ministry of Revenue. The equalization factors express the fraction which local assessment is of market value in each municipality. The application of these factors thus converts local assessments to a comparable basis for all municipalities.

The municipality's resulting equalized assessment is translated to a per capita amount and compared to a provincial standard of equalized assessment per capita in order to determine its relative assessment deficiency. The subsidy rate for the resource equalization grant is a percentage of this relative assessment deficiency to a maximum subsidy rate.

Unlike the other levy-based grants, no separate subsidy rate or local entitlement is calculated in respect of county and regional governments. Rather, the grant calculated in respect of each lower tier municipality includes an amount related to the levies it has collected in the prior year for upper tier purposes. The portion of this overall entitlement related to upper tier levies is paid to the counties and regional municipalities.

The parameters used in the calculation for each year since the inception of the grant in 1973 are shown in the following table.

Changes In REG Variables, 1973-1982					Table 3-5
Year	Provincial Standard \$	Limiting Factor %	Maximum Grant Rate %	Residential Assessment %	Factor Used
1973	10,000	50	20	100	1970
1974	10,000	60	25	100	1970
1975	10,300	60	25	100	1970
1976	10,400	60	25	100	1970
1977	10,650	60	25	100	1970
1978	10,650	60	25	100	1970
1979	10,800	60	25	100	1970
1980 (old)	11,050	60	25	100	1970
1980 (new)	21,200	60	25	85	1979
1981	18,600	60	25	55	1980
1982	18,800	60	25	55	Average of 1979-1981

Table 3-6 provides an historical overview of the grant payout.

Resource Equalization Grant, 1973-1982			Table 3-6		
Year	Amount \$000	Change %	Year	Amount \$000	Change %
1973	56,818		1978	109,420	12.0
1974	70,000	23.2	1979	112,864	3.1
1975	80,373	14.8	1980	142,865	26.6
1976	88,100	9.6	1981 (prel.)	163,700	14.6
1977	97,738	10.9	1982 (est.)	176,505	7.8

The most important changes in the grant formula occurred in 1974, 1980 and in subsequent years. The former set of changes included the increase in the subsidizable assessment deficiency.

from 50 percent to 60 percent, and in the maximum grant rate, from 20 percent to 25 percent. The latter set included the adjustments made necessary by the publication in 1979 of updated assessment equalization factors. The factors had been “frozen” at 1969 relative values since 1970.

As a transition measure, 1980 municipal grant entitlements were determined using both the “old” and “new” equalization factors (subject to relative change limits of ± 10 percent). Municipalities were guaranteed the higher of the two entitlements (subject to a \$10 per capita limit on increases over the previous year). Also in 1980, an 85% weight was applied to the updated values for residential and farm assessment in order to reflect the split mill rate in effect for taxation purposes. County and regional municipalities for the first time received their portion of the resource equalization grant directly (it had previously been paid to the lower-tier municipalities and credited against the county or regional levy).

In 1981, the percentage applied to farm and residential assessment was 55 percent. This was in accordance with the average tax practices of municipalities throughout the Province. There was a revenue guarantee to protect potential grant “losers” to an amount no less than their 1980 grant entitlement, and the limit on entitlement increases was \$7 per capita. With grant payments now being made directly to upper-tier municipalities, it was no longer necessary to calculate an equivalent assessment in respect of the grant for the apportionment procedure.

For 1982 the formula for the resource equalization grant works as follows:

- (1) The equalized assessment for the municipality is determined by applying an equalization factor to the local assessment used for tax purposes. The factor used in the equalization process for grants purposes is the average of the previous two years’ Ministry of Revenue factors plus the present factor. Payments in lieu of taxes are included in the equalized assessment as an equivalent local assessment using the commercial mill rate.
- (2) The equalized assessment for residential and farm properties is discounted to 55 percent of their total. This reflects the fact that residential and farm property values have increased much more rapidly than commercial and industrial values so that a dollar of equalized assessment of residential and farm property generates 55 percent of the tax revenue of a dollar of equalized assessment of commercial and industrial property.
- (3) The discounted equalized assessment is divided by the grants population in each municipality to arrive at the discounted equalized assessment per capita.
- (4) The resulting number is compared to the provincial standard of \$18,800 to determine the relative assessment deficiency.
- (5) The assessment deficiency rate is 60 percent of the relative assessment deficiency up to a maximum rate of 25.0 percent.
- (6) The limit on increases over 1981 entitlements is \$4 per capita.
- (7) No upper or lower tier’s resource equalization grant will be less than it received in 1981.

Appendix A

Detailed Municipal Financial Data by Upper Tier

Table 1:	Demographics
Table 2:	Revenue Fund — Revenues
Table 3:	Revenue Fund — Expenditures
Table 4:	Capital Fund — Financing
Table 5:	Capital Fund — Applications
Table 6:	Municipal Debt

Demographics

Table 1

	No of Municipalities	Population			
		Total	0-19	20-65	66+
			%	%	%
Regions					
Metropolitan Toronto	7	2,143,493	26.5	63.1	10.4
Durham	9	276,775	34.0	58.9	7.1
Haldimand-Norfolk	7	87,544	32.2	56.2	11.7
Halton	5	247,311	33.5	59.7	6.8
Hamilton-Wentworth	7	410,045	29.4	60.1	10.6
Niagara	13	367,665	31.2	58.1	10.7
Ottawa-Carleton	12	548,995	28.7	62.6	8.7
Peel	4	464,491	35.4	60.0	4.6
Sudbury	8	159,701	35.9	58.0	6.1
Waterloo	8	306,776	32.7	58.9	8.4
York	10	238,830	33.5	59.1	7.3
Muskoka	7	36,748	28.5	56.6	14.9
Oxford	9	84,831	32.2	56.2	11.6
Total	106	5,373,205			
Counties					
Brant	8	99,136	31.7	57.1	11.1
Bruce	32	57,728	33.9	54.1	12.5
Dufferin	10	30,497	35.4	55.2	9.5
Elgin	18	69,465	32.6	54.9	12.5
Essex	24	316,778	32.4	57.3	10.3
Frontenac	17	115,452	27.3	62.9	9.8
Grey	28	73,066	30.8	55.1	14.1
Haliburton	11	10,876	26.9	56.1	17.0
Hastings	30	104,757	31.6	57.3	11.1
Huron	27	56,054	33.0	53.7	13.3
Kent	23	106,313	32.8	56.1	11.2
Lambton	22	118,500	32.5	58.1	9.4
Lanark	18	45,190	29.5	56.6	13.9
Leeds and Grenville	26	81,133	30.9	56.5	12.5
Lennox and Addington	14	32,580	33.7	55.3	11.0
Middlesex	24	323,953	30.0	60.3	9.7
Northumberland	16	64,232	31.0	56.1	12.9
Perth	17	65,926	32.6	55.1	12.4
Peterborough	20	101,968	30.4	57.8	11.8
Prescott and Russell	19	52,453	34.1	56.5	9.3
Prince Edward	11	22,130	29.6	56.0	14.4
Renfrew	38	86,426	32.2	56.7	11.1
Simcoe	36	220,949	31.9	57.4	10.7
Stormont, Dundas and Glengarry	22	100,283	32.1	56.1	11.8
Victoria	19	47,533	29.9	55.5	14.7
Wellington	23	131,013	32.3	57.8	9.9
Total	553	2,534,391			
Districts					
Algoma	24	120,676	35.1	58.1	6.8
Cochrane	14	86,698	35.8	56.3	7.9
Kenora	13	36,493	33.3	58.0	8.6
Manitoulin	13	7,014	29.8	52.9	17.3
Nipissing	16	74,384	34.4	56.5	9.0
Parry Sound	28	28,458	30.0	55.7	14.3
Rainy River	15	19,966	33.1	55.3	11.6
Sudbury	11	18,738	37.7	55.0	7.4
Thunder Bay	19	142,023	31.5	59.1	9.3
Timiskaming	26	37,910	34.0	54.2	11.8
Total	179	572,360			
PROVINCIAL TOTAL	837	8,479,956	30.6	59.7	9.7

Demographics

Table 1
(Cont.)

	Households			Hectares	
	Total	% Permanent	Pop Perm. Hshld.	Total	Pop Hectares
Regions					
Metropolitan Toronto	814,556	100.0	2.6	63,831	33.4
Durham	95,458	97.2	2.9	242,184	1.1
Haldimand-Norfolk	35,584	85.0	2.9	282,725	0.3
Halton	81,899	98.8	3.0	98,305	2.4
Hamilton-Wentworth	154,090	98.8	2.7	112,136	3.6
Niagara	136,499	96.0	2.8	179,828	2.0
Ottawa-Carleton	208,945	98.9	2.6	269,634	2.0
Peel	153,257	98.8	2.9	126,312	3.5
Sudbury	55,728	99.4	2.9	279,244	0.6
Waterloo	109,370	98.0	2.8	134,270	2.2
York	77,279	97.5	3.0	171,869	1.3
Muskoka	33,505	99.1	1.1	381,619	0.1
Oxford	30,082	86.2	3.3	196,373	0.4
Total	1,986,252	98.5	2.7	2,538,330	2.1
Counties					
Brant	36,740	95.1	0.9	91,662	1.1
Bruce	29,917	85.2	2.3	394,065	0.1
Dufferin	10,993	89.1	3.1	148,958	0.2
Elgin	26,011	85.7	3.1	187,985	0.4
Essex	118,618	96.1	2.8	186,198	1.7
Frontenac	47,373	96.4	2.5	381,972	0.3
Grey	33,157	83.7	2.6	450,470	0.2
Haliburton	16,837	98.5	0.6	416,872	0.2
Hastings	43,471	94.1	2.6	586,955	0.2
Huron	23,151	80.1	3.0	340,273	0.2
Kent	40,091	86.0	3.1	248,113	0.4
Lambton	46,839	90.8	2.8	283,091	0.4
Lanark	20,259	90.0	2.5	293,887	0.2
Leeds and Grenville	35,395	90.3	2.5	339,010	0.2
Lennox and Addington	13,941	88.6	2.7	284,071	0.1
Middlesex	125,094	95.7	2.7	328,812	1.0
Northumberland	26,924	91.4	2.6	209,325	0.3
Perth	23,778	84.7	3.3	219,015	0.3
Peterborough	49,050	93.2	2.2	394,256	0.3
Prescott and Russell	17,858	85.8	3.4	200,273	0.3
Prince Edward	9,774	84.2	2.7	104,820	0.2
Renfrew	34,501	91.5	2.8	763,870	0.1
Simcoe	95,754	95.4	2.4	480,000	0.5
Stormont, Dundas and Glengarry	36,474	87.6	3.1	329,339	0.3
Victoria	26,184	90.3	2.0	306,690	0.2
Wellington	46,986	92.3	3.0	265,928	0.5
Total	1,035,170	99.3	2.5	8,235,910	0.3
Districts					
Algoma	44,126	98.6	2.7	359,202	0.3
Cochrane	30,758	97.3	2.9	810,568	0.1
Kenora	14,235	99.6	2.6	166,146	0.2
Manitoulin	4,253	89.5	1.9	164,653	0.7
Nipissing	27,063	96.9	2.8	272,816	0.3
Parry Sound	21,623	85.2	1.5	498,795	0.1
Rainy River	7,852	90.8	2.9	236,035	0.1
Sudbury	6,957	93.1	2.9	150,980	0.1
Thunder Bay	52,587	99.2	2.7	372,686	0.4
Timiskaming	14,574	94.4	2.8	292,371	0.1
Total	224,028	96.2	2.6	3,324,252	0.2
PROVINCIAL TOTAL	3,245,450	98.6	2.6	14,098,492	0.6

Demographics

Table 1
(Concluded)

	Assessment		
	Residential		Equalized per Household
	Equalized	Total	
	\$000	%	\$
Regions			
Metropolitan Toronto	55,573,388	55.3	68,225
Durham	6,401,608	73.9	67,062
Haldimand-Norfolk	2,218,663	78.7	62,350
Halton	6,196,520	73.8	75,661
Hamilton-Wentworth	8,257,458	62.7	53,589
Niagara	7,236,391	66.2	53,014
Ottawa-Carleton	11,653,958	71.0	55,775
Peel	12,970,489	70.3	84,632
Sudbury	2,986,557	61.2	53,592
Waterloo	6,474,959	65.4	59,202
York	7,438,791	76.4	96,259
Muskoka	1,761,662	85.1	52,579
Oxford	2,102,479	69.3	69,892
Total	131,272,924	63.9	66,091
Counties			
Brant	2,124,175	67.3	57,816
Bruce	1,552,674	89.6	51,899
Dufferin	785,272	84.3	71,434
Elgin	1,555,184	72.1	59,789
Essex	6,339,750	68.0	53,447
Frontenac	2,140,184	72.2	45,177
Grey	1,856,612	80.0	55,995
Haliburton	623,089	91.8	37,007
Hastings	1,840,811	70.9	42,346
Huron	1,539,752	85.9	66,509
Kent	2,604,586	73.6	64,967
Lambton	3,290,287	67.0	70,247
Lanark	815,642	78.9	40,261
Leeds and Grenville	1,599,210	69.6	45,182
Lennox and Addington	625,292	74.0	44,853
Middlesex	6,806,765	70.0	54,413
Northumberland	1,347,738	76.3	50,057
Perth	1,642,998	77.0	69,097
Peterborough	2,226,547	77.9	45,393
Prescott and Russell	870,789	76.3	48,762
Prince Edward	450,328	83.4	46,074
Renfrew	1,246,785	75.7	36,138
Simcoe	5,145,589	77.2	53,738
Stormont, Dundas and Glengarry	1,728,194	65.9	47,382
Victoria	1,233,513	88.0	47,109
Wellington	2,884,579	75.9	61,392
Total	54,876,341	74.1	53,012
Districts			
Algoma	2,378,981	59.2	53,913
Cochrane	1,315,475	53.2	42,769
Kenora	683,529	48.6	48,017
Manitoulin	174,347	85.0	40,994
Nipissing	1,145,643	64.0	42,332
Parry Sound	948,050	86.8	43,845
Rainy River	326,656	54.7	41,602
Sudbury	270,280	57.4	38,850
Thunder Bay	3,219,746	51.4	61,227
Timiskaming	455,828	63.7	31,277
Total	10,918,535	58.9	48,737
PROVINCIAL TOTAL	197,067,800	66.4	60,721

Revenue Fund Revenues

Table 2

	Taxation (Municipal)				
	Residential and Farm	Commercial, Industrial and Business	Special Charges	Sewer Surcharge on Direct Water Billings	Total
	\$000	\$000	\$000	\$000	\$000
Regions					
Metropolitan Toronto	356,481	369,955	16,024	22,983	765,442
Durham	38,886	18,984	2,441	5,903	66,214
Haldimand-Norfolk	10,919	4,020	802	1,751	17,492
Halton	32,944	14,625	2,511	7,339	57,419
Hamilton-Wentworth	62,938	48,076	3,346	13,416	127,775
Niagara	51,675	34,270	3,480	1,322	90,748
Ottawa-Carleton	84,766	46,736	8,388	8,146	148,036
Peel	58,602	31,238	3,753	13,558	107,152
Sudbury	19,871	17,394	2,067	87	39,419
Waterloo	38,871	25,501	2,634	5,120	72,126
York	29,827	11,434	3,584	1,392	46,237
Muskoka	6,440	1,552	387	472	8,851
Oxford	10,651	7,484	892	592	19,619
Total	802,872	631,268	50,309	82,081	1,566,531
Countries					
Brant	12,230	7,855	1,103	1,341	22,529
Bruce	7,385	1,377	1,127	229	10,118
Dufferin	3,340	1,099	259	167	4,865
Elgin	6,698	3,697	928	233	11,555
Essex	42,349	29,242	4,829	1,131	77,552
Frontenac	12,593	6,458	1,066	535	20,652
Grey	7,954	3,817	737	533	13,040
Haliburton	1,986	213	157	49	2,405
Hastings	9,303	6,130	1,067	1,710	18,210
Huron	6,178	1,991	433	624	9,226
Kent	12,410	7,064	2,324	1,237	23,035
Lambton	15,903	10,643	2,342	821	29,710
Lanark	4,214	1,958	411	224	6,807
Leeds and Grenville	6,331	4,917	641	344	12,233
Lennox and Addington	2,407	1,166	340	322	4,235
Middlesex	40,283	22,331	3,430	58	66,101
Northumberland	5,396	2,786	582	566	9,329
Perth	7,580	4,089	676	718	13,064
Peterborough	13,112	6,806	1,024	271	21,212
Prescott and Russell	5,020	2,327	710	332	8,388
Prince Edward	1,723	534	207	24	2,487
Renfrew	6,193	3,641	1,028	742	11,604
Simcoe	22,774	11,419	2,741	2,006	38,939
Stormont, Dundas and Glengarry	8,986	7,252	1,313	779	18,330
Victoria	4,887	1,313	395	104	6,698
Wellington	14,672	7,136	909	1,585	24,302
Total	281,904	157,261	30,778	16,684	486,627
Districts					
Algoma	11,448	10,058	1,574	843	23,923
Cochrane	6,365	6,834	658	339	14,196
Kenora	3,077	4,115	530	455	8,177
Manitoulin	726	168	52	38	984
Nipissing	6,622	4,716	768	1,456	13,563
Parry Sound	2,967	748	262	201	4,178
Rainy River	1,567	1,902	293	161	3,923
Sudbury	1,233	1,194	185	118	2,730
Thunder Bay	15,039	17,769	874	302	33,983
Timiskaming	3,371	2,341	691	139	6,543
Total	52,415	49,844	5,887	4,054	112,200
PROVINCIAL TOTAL	1,137,191	838,373	86,974	102,819	2,165,358

Revenue Fund-Revenues

Table 2
(Cont.)

	Provincial Assistance			Other Revenue
	Ontario Unconditional Grants	Conditional Grants	Ontario P-I-L Total	Canada P-I-L and Mun. P-I-L
	\$000	\$000	\$000	\$000
Regions				
Metropolitan Toronto	117,232	260,985	45,515	25,576
Durham	16,765	28,922	1,637	1,107
Haldimand-Norfolk	4,404	9,431	637	204
Halton	13,092	16,012	1,072	951
Hamilton-Wentworth	26,939	47,646	4,749	2,375
Niagara	24,779	34,521	3,004	2,588
Ottawa-Carleton	34,657	71,865	6,303	51,192
Peel	18,517	28,877	2,659	4,533
Sudbury	23,810	22,248	1,260	467
Waterloo	18,179	26,819	2,543	1,160
York	10,708	18,195	533	370
Muskoka	1,686	6,137	132	43
Oxford	4,709	7,513	276	187
Total	315,476	588,269	70,319	90,753
Counties				
Brant	6,213	11,855	385	419
Bruce	4,418	8,561	397	59
Dufferin	1,020	3,760	201	53
Elgin	3,826	6,714	394	105
Essex	17,454	29,630	2,142	2,075
Frontenac	5,852	14,188	1,493	1,552
Grey	3,956	11,545	326	247
Haliburton	741	2,839	134	10
Hastings	6,623	14,109	698	452
Huron	3,890	8,193	212	65
Kent	8,098	9,865	367	290
Lambton	5,344	14,857	727	347
Lanark	3,227	7,834	209	147
Leeds and Grenville	4,294	8,821	295	402
Lennox and Addington	1,455	4,255	231	306
Middlesex	17,775	30,768	3,147	1,677
Northumberland	2,420	5,142	272	769
Perth	4,193	6,013	255	153
Peterborough	4,908	9,776	535	612
Prescott and Russell	3,530	6,916	149	57
Prince Edward	1,154	2,172	77	44
Renfrew	5,264	11,889	534	1,294
Simcoe	9,203	16,582	816	649
Stormont, Dundas and Glengarry	8,003	13,313	804	1,291
Victoria	2,402	5,088	258	60
Wellington	5,840	13,413	867	311
Total	141,103	278,098	15,924	13,447
Districts				
Algoma	17,208	15,242	535	753
Cochrane	13,007	11,049	724	231
Kenora	5,036	7,409	317	267
Manitoulin	818	2,404	31	11
Nipissing	9,653	9,597	602	722
Parry Sound	3,156	5,046	65	28
Rainy River	3,422	3,449	147	43
Sudbury	2,035	3,472	67	13
Thunder Bay	23,577	19,397	1,540	1,377
Timiskaming	6,520	2,249	548	58
Total	84,433	79,314	4,576	3,501
PROVINCIAL TOTAL	541,012	945,681	90,820	107,702

Revenue Fund Revenues

Table 2
(Concluded)

	Other Revenue (Cont.) Fees and Service Charges				
	Transit	Water	Homes for Aged	Misc. Revenues	Total Revenue
	\$000	\$000	\$000	\$000	\$000
Regions					
Metropolitan Toronto	198,985	86,340	30,115	142,822	1,673,012
Durham	1,607	6,554	3,703	12,760	138,468
Haldimand-Norfolk	0	1,908	1,874	2,747	38,700
Halton	1,753	5,475	1,609	8,187	105,570
Hamilton-Wentworth	0	14,309	2,865	19,958	246,617
Niagara	3,266	11,917	4,626	10,889	186,338
Ottawa-Carleton	28,939	16,891	3,913	25,953	397,649
Peel	6,860	16,522	2,631	15,539	203,291
Sudbury	1,970	3,625	1,341	8,795	102,934
Waterloo	4,125	7,085	1,611	11,950	145,597
York	776	7,963	1,132	10,591	96,501
Muskoka	0	733	450	1,208	19,240
Oxford	172	2,209	1,571	2,127	38,381
Total	248,452	181,531	57,440	273,525	3,392,295
Counties					
Brant	844	3,167	1,829	4,401	51,642
Bruce	0	896	1,225	1,864	27,538
Dufferin	0	280	829	524	11,532
Elgin	152	1,657	2,144	1,300	27,845
Essex	3,680	8,911	1,339	10,642	153,425
Frontenac	1,158	2,868	1,439	3,234	52,435
Grey	120	1,403	1,180	1,587	33,405
Haliburton	0	64	305	505	7,003
Hastings	460	2,839	1,418	3,991	48,801
Huron	0	1,098	1,528	1,833	26,045
Kent	248	3,203	1,549	2,516	49,171
Lambton	647	4,128	2,046	3,928	61,733
Lanark	0	979	1,427	2,108	22,738
Leeds and Grenville	0	1,684	1,507	2,005	31,241
Lennox and Addington	0	504	774	1,131	12,891
Middlesex	6,456	8,501	2,946	7,650	145,023
Northumberland	45	1,508	0	1,962	21,448
Perth	4	1,148	825	2,169	27,823
Peterborough	834	2,319	1,260	1,583	43,039
Prescott and Russell	0	861	717	1,244	21,862
Prince Edward	0	247	402	354	6,937
Renfrew	50	1,718	2,204	2,253	36,809
Simcoe	550	4,327	2,058	8,504	81,628
Stormont, Dundas and Glengarry	812	2,870	921	4,171	50,515
Victoria	71	624	856	1,185	17,242
Wellington	1,635	2,459	861	3,245	52,933
Total	17,765	60,265	33,587	75,888	1,122,704
Districts					
Algoma	1,124	2,942	1,536	4,988	68,251
Cochrane	668	2,206	1,317	2,959	46,355
Kenora	0	1,372	816	2,951	26,345
Manitoulin	0	89	307	262	4,906
Nipissing	986	1,673	1,545	1,850	40,191
Parry Sound	1	399	789	794	14,456
Rainy River	23	497	720	1,561	13,786
Sudbury	0	314	0	537	9,167
Thunder Bay	2,034	4,466	3,108	5,821	95,303
Timiskaming	0	808	312	1,013	18,051
Total	4,835	14,765	10,450	22,735	336,813
PROVINCIAL TOTAL	271,053	256,560	101,478	372,148	4,851,812

Revenue Fund Expenditures

Table 3

	Protection to Persons and Property			
	General Government	Fire	Police	Other
	\$000	\$000	\$000	\$000
Regions				
Metropolitan Toronto	151,915	98,199	211,059	35,403
Durham	17,554	9,307	14,675	4,028
Haldimand-Norfolk	4,349	1,281	3,025	1,684
Halton	11,067	6,178	11,386	4,550
Hamilton-Wentworth	24,678	14,742	28,673	5,976
Niagara	18,218	11,853	21,831	3,153
Ottawa-Carleton	57,110	25,008	33,204	6,312
Peel	24,873	14,952	24,536	6,970
Sudbury	16,253	4,539	8,356	2,571
Waterloo	38,640	12,687	17,000	5,094
York	10,679	5,100	11,435	4,035
Muskoka	2,386	476	0	249
Oxford	4,022	2,080	2,902	779
Total	381,745	206,401	388,081	80,804
Counties				
Brant	5,622	3,783	5,090	1,594
Bruce	3,653	730	1,217	792
Dufferin	1,328	306	884	256
Elgin	2,829	1,593	1,772	812
Essex	18,572	10,445	18,825	2,975
Frontenac	4,945	3,874	3,949	1,155
Grey	3,098	1,634	1,764	1,232
Haliburton	1,121	188	16	129
Hastings	4,571	3,068	3,665	1,223
Huron	3,253	642	1,213	856
Kent	6,945	2,914	3,771	2,105
Lambton	6,521	3,710	4,544	3,100
Lanark	2,121	578	1,278	283
Leeds and Grenville	3,596	1,707	1,985	642
Lennox and Addington	1,629	452	279	555
Middlesex	14,436	10,496	13,809	3,721
Northumberland	2,415	741	1,341	1,495
Perth	2,990	2,007	2,312	853
Peterborough	5,779	3,429	3,656	1,113
Prescott and Russell	3,503	658	513	415
Prince Edward	1,061	348	260	316
Renfrew	3,762	2,003	1,858	232
Simcoe	10,069	4,199	6,174	1,980
Stormont, Dundas and Glengarry	7,116	2,182	3,077	1,598
Victoria	2,420	734	766	350
Wellington	5,605	4,086	4,746	2,110
Total	128,960	66,507	88,764	31,892
Districts				
Algoma	7,061	4,303	5,957	1,776
Cochrane	4,798	2,624	3,125	1,090
Kenora	2,506	1,026	1,571	173
Manitoulin	629	90	0	35
Nipissing	3,614	2,782	4,032	990
Parry Sound	2,073	551	280	168
Rainy River	1,838	508	1,164	55
Sudbury	1,390	243	332	56
Thunder Bay	8,452	6,454	7,660	4,948
Timiskaming	2,860	1,032	906	171
Total	35,221	19,611	25,027	9,462
PROVINCIAL TOTAL	545,927	292,521	501,872	122,158

Revenue Fund Expenditures

Table 3
(Cont.)

	Transportation Services		
	Roads	Transit	Other
	\$000	\$000	\$000
Regions			
Metropolitan Toronto	130,763	290,798	25,512
Durham	23,497	3,893	3,055
Haldimand-Norfolk	9,820	0	383
Halton	17,356	4,062	1,545
Hamilton-Wentworth	33,236	13,458	5,178
Niagara	31,245	6,489	3,500
Ottawa-Carleton	50,658	56,655	4,804
Peel	27,318	12,883	3,099
Sudbury	18,296	4,533	2,634
Waterloo	20,442	9,251	4,831
York	19,117	2,225	1,912
Muskoka	6,856	0	160
Oxford	8,488	437	1,669
Total	397,092	404,683	58,283
Counties			
Brant	8,086	1,856	652
Bruce	10,212	0	440
Dufferin	4,029	0	156
Elgin	6,520	425	508
Essex	24,232	6,873	4,539
Frontenac	8,737	2,458	1,117
Grey	11,397	286	470
Haliburton	3,036	0	59
Hastings	12,187	857	1,068
Huron	9,553	0	757
Kent	10,102	727	1,066
Lambton	11,843	1,855	1,164
Lanark	7,182	0	161
Leeds and Grenville	8,454	0	522
Lennox and Addington	4,309	0	572
Middlesex	21,161	10,504	1,782
Northumberland	6,202	125	426
Perth	7,074	461	596
Peterborough	10,233	1,875	1,083
Prescott and Russell	5,772	0	268
Prince Edward	2,004	0	93
Renfrew	9,039	81	1,010
Simcoe	19,908	1,165	2,083
Stormont, Dundas and Glengarry	12,961	1,577	734
Victoria	6,169	252	340
Wellington	11,687	2,047	964
Total	252,089	33,424	22,630
Districts			
Algoma	12,160	3,437	1,730
Cochrane	8,516	1,620	1,382
Kenora	4,172	32	1,170
Manitoulin	1,069	0	77
Nipissing	6,726	1,633	738
Parry Sound	4,473	8	289
Rainy River	2,874	106	511
Sudbury	1,996	0	95
Thunder Bay	11,492	5,903	2,926
Timiskaming	5,644	148	323
Total	59,122	12,887	9,241
PROVINCIAL TOTAL	708,302	450,994	90,154

Revenue Fund Expenditures

Table 3
(Cont.)

	Environmental Services			
	Sewers	Water	Solid Waste	Health Services
	\$000	\$000	\$000	\$000
Regions				
Metropolitan Toronto	93,634	81,939	69,413	58,998
Durham	10,534	8,983	3,830	2,865
Haldimand-Norfolk	2,621	2,293	1,028	2,282
Halton	11,044	6,974	4,337	4,330
Hamilton-Wentworth	19,189	15,204	12,387	7,357
Niagara	17,015	12,568	6,252	4,599
Ottawa-Carleton	22,531	19,993	6,366	14,454
Peel	18,764	17,603	7,359	5,180
Sudbury	9,798	6,847	2,824	3,758
Waterloo	13,019	7,439	3,558	4,821
York	4,225	5,412	9,562	3,863
Muskoka	1,185	1,057	693	1,267
Oxford	2,583	2,330	1,051	1,855
Total	226,142	188,642	128,662	115,629
Counties				
Brant	3,288	3,389	927	1,453
Bruce	1,193	1,753	738	810
Dufferin	529	285	254	144
Elgin	1,703	1,958	764	937
Essex	15,451	11,041	5,164	3,312
Frontenac	2,222	3,333	2,038	2,033
Grey	1,805	1,987	940	1,439
Haliburton	159	138	133	199
Hastings	3,728	3,107	939	1,745
Huron	1,089	1,329	631	1,245
Kent	4,106	3,946	1,324	1,874
Lambton	4,380	5,126	1,261	1,378
Lanark	1,165	1,160	443	244
Leeds and Grenville	1,846	1,852	833	1,714
Lennox and Addington	543	741	303	137
Middlesex	14,521	5,038	5,637	4,385
Northumberland	2,164	2,220	690	106
Perth	1,473	1,279	740	1,629
Peterborough	2,422	3,437	887	1,450
Prescott and Russell	761	1,107	450	355
Prince Edward	234	384	278	79
Renfrew	1,817	1,894	867	1,894
Simcoe	6,386	4,975	2,478	3,495
Stormont, Dundas and Glengarry	3,367	3,203	1,131	1,995
Victoria	697	719	542	343
Wellington	2,944	2,416	1,147	1,849
Total	79,993	67,817	31,538	36,244
Districts				
Algoma	4,838	3,321	1,773	2,485
Cochrane	3,304	2,850	1,280	2,065
Kenora	1,825	2,120	809	1,706
Manitoulin	61	176	61	42
Nipissing	3,316	2,264	1,239	1,119
Parry Sound	686	425	490	260
Rainy River	710	532	261	426
Sudbury	365	449	283	236
Thunder Bay	5,283	4,776	2,474	2,216
Timiskaming	1,444	1,416	697	958
Total	21,832	18,329	9,367	11,513
PROVINCIAL TOTAL	327,967	274,788	169,566	163,386

Revenue Fund Expenditures

Table 3
(Cont.)

	Social and Family Services			Recreation and Cultural Services
	General Assistance	Assistance to Aged	Assistance to Children	Parks and Recreation
	\$000	\$000	\$000	\$000
Regions				
Metropolitan Toronto	101,484	79,204	71,577	124,071
Durham	12,534	9,598	4,104	12,895
Haldimand-Norfolk	1,542	4,338	641	2,793
Halton	2,746	4,887	3,453	11,644
Hamilton-Wentworth	24,716	7,216	9,116	14,737
Niagara	11,731	12,686	5,957	11,994
Ottawa-Carleton	29,978	12,872	20,838	31,477
Peel	6,294	7,331	8,087	19,423
Sudbury	7,193	3,019	4,195	8,545
Waterloo	10,136	3,872	5,729	15,319
York	2,548	2,737	4,248	9,745
Muskoka	934	1,343	848	1,477
Oxford	2,030	2,304	1,179	3,224
Total	213,864	151,407	139,972	267,344
Counties				
Brant	3,284	4,570	2,528	5,458
Bruce	717	2,594	842	2,781
Dufferin	303	2,004	522	902
Elgin	1,028	4,198	753	1,360
Essex	12,819	6,751	6,851	11,744
Frontenac	4,550	4,702	1,723	4,309
Grey	1,990	2,463	1,269	2,516
Haliburton	230	963	98	512
Hastings	3,845	3,211	1,667	3,581
Huron	549	3,231	980	2,304
Kent	1,729	3,344	1,886	3,401
Lambton	2,643	5,723	2,203	4,710
Lanark	1,575	3,097	943	2,149
Leeds and Grenville	1,593	3,157	1,010	2,162
Lennox and Addington	616	1,409	413	955
Middlesex	9,314	8,244	5,498	12,779
Northumberland	0	105	646	2,070
Perth	1,098	1,436	1,086	2,241
Peterborough	3,086	2,495	1,418	3,498
Prescott and Russell	3,350	1,460	1,313	2,263
Prince Edward	208	834	323	355
Renfrew	1,800	5,755	1,363	3,457
Simcoe	3,730	3,590	2,467	6,677
Stormont, Dundas and Glengarry	2,999	2,509	2,071	4,257
Victoria	593	1,914	451	1,542
Wellington	4,548	1,999	1,764	4,462
Total	68,197	81,758	42,088	92,445
Districts				
Algoma	4,663	5,333	2,627	6,804
Cochrane	2,246	4,643	1,914	4,789
Kenora	700	2,520	3,321	2,396
Manitoulin	113	1,085	896	541
Nipissing	2,203	3,764	1,076	3,477
Parry Sound	750	2,318	613	1,064
Rainy River	363	2,097	828	1,331
Sudbury	202	34	2,417	1,141
Thunder Bay	5,337	10,276	4,139	10,065
Timiskaming	1,250	897	1,012	1,804
Total	17,827	32,967	18,843	33,412
PROVINCIAL TOTAL	299,889	266,133	200,903	393,202

Revenue Fund Expenditures

Table 3
(Concluded)

	Recreation and Cultural Services (Cont.)			
	Libraries	Planning	Total Expenditure	In Year Surplus (Deficit)
	\$000	\$000	\$000	\$000
Regions				
Metropolitan Toronto	80,811	33,884	1,738,669	475,298
Durham	3,790	4,284	149,426	19,200
Haldimand-Norfolk	636	2,524	41,240	6,681
Halton	4,736	2,359	112,654	14,365
Hamilton-Wentworth	13,543	8,403	257,809	60,186
Niagara	5,617	5,626	190,334	42,494
Ottawa-Carleton	9,076	16,736	418,072	61,754
Peel	7,140	4,772	216,584	33,376
Sudbury	1,938	3,081	108,380	20,087
Waterloo	6,900	3,948	182,686	24,174
York	3,410	2,862	103,115	21,658
Muskoka	320	709	19,960	2,563
Oxford	909	3,094	40,936	5,160
Total	138,828	92,281	3,579,860	774,066
Counties				
Brant	1,533	1,254	54,367	1,084
Bruce	651	1,643	30,766	2,159
Dufferin	197	633	12,732	1,128
Elgin	966	2,060	30,186	1,814
Essex	5,674	6,780	172,048	401
Frontenac	1,565	2,339	55,049	1,979
Grey	996	1,293	36,579	1,275
Haliburton	157	146	7,284	480
Hastings	991	1,926	51,379	1,089
Huron	720	3,508	31,860	1,516
Kent	1,441	4,543	55,224	2,890
Lambton	2,264	7,005	69,430	3,434
Lanark	627	1,471	24,477	889
Leeds and Grenville	794	1,004	32,871	833
Lennox and Addington	312	806	14,031	980
Middlesex	7,033	5,673	154,031	2,516
Northumberland	295	721	21,762	1,564
Perth	814	3,037	31,126	1,091
Peterborough	949	994	47,804	102
Prescott and Russell	466	1,435	24,089	2,012
Prince Edward	304	326	7,407	856
Renfrew	603	1,338	38,773	1,033
Simcoe	2,012	3,685	85,073	4,875
Stormont, Dundas and Glengarry	1,102	4,463	56,342	514
Victoria	458	742	19,032	1,375
Wellington	1,767	2,370	56,511	2,822
Total	34,692	61,195	1,220,233	40,711
Districts				
Algoma	1,630	2,946	72,844	(1,234)
Cochrane	931	1,094	48,271	33
Kenora	616	1,450	28,113	(429)
Manitoulin	83	121	5,079	20
Nipissing	727	1,427	41,127	714
Parry Sound	166	588	15,202	(77)
Rainy River	409	655	14,661	56
Sudbury	160	210	9,609	(24)
Thunder Bay	3,122	4,524	100,047	(940)
Timiskaming	412	1,510	22,484	129
Total	8,256	14,525	357,449	(1,752)
PROVINCIAL TOTAL	181,776	168,001	5,157,543	813,025

Capital Funding Financing

Table 4

	Own Funds		Own Purpose Borrowing
	Revenue Fund	Reserves and Reserve Funds	
	\$000	\$000	\$000
Regions			
Metropolitan Toronto	76,120	22,559	73,691
Durham	9,064	11,731	10,564
Haldimand-Norfolk	3,837	1,496	5,167
Halton	9,285	6,864	7,645
Hamilton-Wentworth	17,120	8,362	817
Niagara	9,660	8,660	10,765
Ottawa-Carleton	6,471	32,445	54,282
Peel	6,575	29,517	1,367
Sudbury	5,570	3,850	11,000
Waterloo	6,006	15,859	6,075
York	7,228	16,063	1,001
Muskoka	1,676	168	136
Oxford	4,901	483	2,235
Total	163,513	158,056	184,745
Counties			
Brant	3,954	992	192
Bruce	2,593	672	1,666
Dufferin	765	97	875
Elgin	2,057	381	2,366
Essex	4,828	7,022	16,256
Frontenac	2,365	1,000	4,095
Grey	3,373	379	989
Haliburton	656	116	0
Hastings	4,037	991	74
Huron	3,097	785	4,093
Kent	5,047	323	11,484
Lambton	5,925	1,483	12,278
Lanark	3,441	652	265
Leeds and Grenville	1,948	405	2,689
Lennox and Addington	1,210	288	80
Middlesex	7,330	5,546	8,943
Northumberland	2,049	777	1,006
Perth	4,440	118	2,175
Peterborough	2,612	554	65
Prescott and Russell	2,374	276	1,907
Prince Edward	417	50	269
Renfrew	2,932	506	194
Simcoe	8,982	3,885	2,522
Stormont, Dundas and Glengarry	3,612	1,023	8,608
Victoria	1,345	906	994
Wellington	2,586	3,356	4,492
Total	83,973	32,586	88,577
Districts			
Algoma	5,853	1,162	1,807
Cochrane	2,442	1,653	669
Kenora	4,028	289	874
Manitoulin	262	78	26
Nipissing	1,719	336	1,111
Parry Sound	1,350	66	118
Rainy River	953	460	30
Sudbury	561	112	110
Thunder Bay	7,080	4,559	10,942
Timiskaming	2,086	707	784
Total	26,334	9,421	16,472
PROVINCIAL TOTAL	273,820	200,063	289,794

Capital Funding Financing

Table 4
(Concluded)

	Ontario Assistance	Other Sources	Total
	\$000	\$000	\$000
Regions			
Metropolitan Toronto	70,097	48,898	291,366
Durham	11,900	7,007	50,267
Haldimand-Norfolk	3,208	3,298	17,006
Halton	8,585	7,783	40,163
Hamilton-Wentworth	8,388	3,456	38,142
Niagara	8,157	6,520	43,762
Ottawa-Carleton	25,744	11,653	130,595
Peel	19,874	9,627	66,959
Sudbury	8,188	947	29,556
Waterloo	10,564	4,176	42,681
York	10,994	11,056	46,342
Muskoka	2,482	623	5,085
Oxford	4,498	1,655	13,772
Total	192,679	116,701	815,694
Counties			
Brant	4,082	2,106	11,326
Bruce	3,364	3,048	11,343
Dufferin	1,425	997	4,159
Elgin	3,079	808	8,691
Essex	14,368	6,568	49,042
Frontenac	2,486	1,666	11,612
Grey	5,659	700	11,101
Haliburton	1,381	141	2,294
Hastings	4,287	1,041	10,430
Huron	2,316	1,641	11,931
Kent	3,901	1,609	22,363
Lambton	6,607	6,778	33,071
Lanark	1,551	1,047	6,956
Leeds and Grenville	3,868	1,256	10,166
Lennox and Addington	4,405	867	6,850
Middlesex	11,805	4,072	37,695
Northumberland	1,678	775	6,284
Perth	3,751	917	11,401
Peterborough	3,600	2,346	9,176
Prescott and Russell	5,168	326	10,052
Prince Edward	737	82	1,554
Renfrew	4,509	626	8,768
Simcoe	10,112	1,946	27,447
Stormont, Dundas and Glengarry	6,216	1,278	20,737
Victoria	2,899	170	6,315
Wellington	4,795	1,467	16,697
Total	118,049	44,277	367,462
Districts			
Algoma	5,633	5,031	19,485
Cochrane	5,446	1,351	11,562
Kenora	3,317	516	9,024
Manitoulin	368	108	842
Nipissing	4,187	66	7,419
Parry Sound	1,151	362	3,046
Rainy River	1,073	166	2,682
Sudbury	986	283	2,051
Thunder Bay	6,652	2,758	31,990
Timiskaming	1,361	85	5,022
Total	30,174	10,723	93,124
PROVINCIAL TOTAL	340,902	171,701	1,276,280

Capital Fund Applications

Table 5

	General Government	Protection	Transportation Services		
			Roads	Transit	Other
	\$000	\$000	\$000	\$000	\$000
Regions					
Metropolitan Toronto	8,416	8,620	53,691	49,211	3,821
Durham	1,437	2,542	15,076	436	1,178
Haldimand-Norfolk	1,094	796	7,094	0	59
Halton	546	1,387	16,071	888	831
Hamilton-Wentworth	775	284	16,432	0	728
Niagara	2,475	1,736	16,257	833	934
Ottawa-Carleton	4,774	3,450	35,260	4,837	898
Peel	2,707	8,888	30,092	4,557	513
Sudbury	3,246	342	7,791	90	823
Waterloo	4,263	474	15,218	306	864
York	3,643	2,397	16,974	443	1,772
Muskoka	93	115	3,123	0	68
Oxford	2,131	216	6,307	0	579
Total	35,600	31,247	239,386	61,606	13,068
Counties					
Brant	436	190	7,717	1,380	20
Bruce	1,748	229	4,393	0	120
Dufferin	288	12	1,627	0	17
Elgin	1,749	125	3,711	2	325
Essex	3,769	1,761	18,214	173	148
Frontenac	926	246	2,717	123	200
Grey	584	327	3,662	85	19
Haliburton	44	82	1,656	0	5
Hastings	1,469	236	6,624	51	614
Huron	4,713	425	3,834	0	118
Kent	3,180	894	5,884	40	102
Lambton	5,103	1,029	8,526	210	884
Lanark	207	259	2,053	0	48
Leeds and Grenville	667	329	4,400	0	19
Lennox and Addington	248	108	2,803	0	63
Middlesex	5,800	1,297	11,888	1,245	260
Northumberland	585	306	1,799	0	87
Perth	1,746	129	4,574	221	121
Peterborough	296	245	3,251	345	482
Prescott and Russell	1,180	175	5,635	0	37
Prince Edward	293	56	645	0	0
Renfrew	386	215	5,029	0	43
Simcoe	2,084	1,811	12,538	397	537
Stormont, Dundas and Glengarry	3,133	110	6,533	0	45
Victoria	469	111	3,681	47	49
Wellington	2,074	151	5,519	374	41
Total	43,177	10,858	138,913	4,693	4,404
Districts					
Algoma	336	312	5,628	578	243
Cochrane	164	247	3,731	633	187
Kenora	653	135	2,603	0	103
Manitoulin	49	5	332	0	20
Nipissing	254	225	2,092	(16)	21
Parry Sound	166	124	1,489	0	77
Rainy River	155	64	1,104	0	15
Sudbury	111	30	1,008	0	3
Thunder Bay	1,360	1,229	5,460	327	499
Timiskaming	1,136	143	1,834	0	14
Total	4,384	2,514	25,281	1,522	1,182
PROVINCIAL TOTAL	83,161	44,619	403,580	67,821	18,654

Capital Fund Applications

Table 5
(Cont.)

	Environmental Services			
	Sewers	Water	Solid Waste	Health Services
	\$000	\$000	\$000	\$000
Regions				
Metropolitan Toronto	46,492	11,714	10,540	5,504
Durham	13,929	6,314	841	18
Haldimand-Norfolk	479	1,787	143	503
Halton	5,070	6,252	961	434
Hamilton-Wentworth	7,901	4,265	8,817	30
Niagara	11,495	8,773	76	50
Ottawa-Carleton	12,461	4,340	384	2,077
Peel	16,552	8,893	2,131	2,433
Sudbury	6,504	2,807	24	150
Waterloo	7,017	2,956	99	104
York	6,802	2,632	0	43
Muskoka	496	392	9	0
Oxford	1,793	1,112	0	500
Total	136,991	62,237	24,025	11,846
Counties				
Brant	2,634	513	6	23
Bruce	2,211	481	93	36
Dufferin	1,712	57	2	0
Elgin	2,529	580	0	9
Essex	15,010	2,945	533	18
Frontenac	2,953	557	65	3
Grey	4,516	1,131	188	9
Haliburton	1	3	6	6
Hastings	710	1,739	9	15
Huron	494	251	52	41
Kent	1,683	735	2	9
Lambton	6,573	604	186	16
Lanark	726	111	216	0
Leeds and Grenville	1,542	759	5	288
Lennox and Addington	1,973	215	8	0
Middlesex	5,229	3,088	551	15
Northumberland	74	692	105	3
Perth	362	771	45	966
Peterborough	118	682	90	372
Prescott and Russell	326	1,209	26	7
Prince Edward	570	56	55	0
Renfrew	465	251	21	20
Simcoe	5,668	2,373	159	2,239
Stormont, Dundas and Glengarry	3,077	706	34	214
Victoria	558	73	201	105
Wellington	3,893	758	0	403
Total	65,607	21,340	2,658	4,817
Districts				
Algoma	1,682	686	70	98
Cochrane	1,400	632	0	335
Kenora	1,450	1,787	44	538
Manitoulin	558	81	5	4
Nipissing	2,758	1,639	0	60
Parry Sound	185	80	12	4
Rainy River	215	166	10	325
Sudbury	36	93	0	17
Thunder Bay	3,294	2,543	229	402
Timiskaming	932	186	69	24
Total	12,510	7,893	439	1,807
PROVINCIAL TOTAL	215,108	91,470	27,122	18,470

Capital Fund Applications

Table 5
(Cont.)

	Social and Family Services	Recreation	Planning	Total
	\$000	\$000	\$000	\$000
Regions				
Metropolitan Toronto	34,912	23,227	14,748	270,896
Durham	174	4,819	675	47,439
Haldimand-Norfolk	26	1,409	2,365	15,755
Halton	17	4,391	293	37,141
Hamilton-Wentworth	12	7,418	12,388	59,050
Niagara	1,682	3,286	1,765	49,362
Ottawa-Carleton	171	16,736	13,291	98,679
Peel	192	9,296	73	86,327
Sudbury	27	1,601	500	23,905
Waterloo	43	8,436	1,385	41,165
York	70	6,187	2,728	43,691
Muskoka	28	692	202	5,218
Oxford	0	697	3,079	16,414
Total	37,354	88,195	53,492	795,047
Counties				
Brant	3	273	1,894	15,089
Bruce	0	1,001	394	10,706
Dufferin	172	409	144	4,440
Elgin	34	377	703	10,144
Essex	137	5,091	3,620	51,419
Frontenac	10	786	582	9,168
Grey	23	1,024	317	11,885
Haliburton	0	527	3	2,333
Hastings	41	768	984	13,260
Huron	28	1,234	1,071	12,261
Kent	218	1,390	9,151	23,288
Lambton	73	1,598	9,272	34,074
Lanark	33	1,982	1,458	7,093
Leeds and Grenville	31	1,274	428	9,742
Lennox and Addington	10	452	769	6,649
Middlesex	57	1,513	5,203	36,146
Northumberland	33	1,799	140	5,623
Perth	10	371	1,963	11,279
Peterborough	80	2,679	396	9,036
Prescott and Russell	65	764	1,138	10,562
Prince Edward	0	135	27	1,837
Renfrew	22	1,403	1,616	9,471
Simcoe	41	1,800	1,692	31,339
Stormont, Dundas and Glengarry	19	674	1,957	16,502
Victoria	4	492	276	6,066
Wellington	1	541	1,279	15,034
Total	1,144	30,356	46,478	374,446
Districts				
Algoma	87	2,470	6,462	18,652
Cochrane	91	2,320	1,481	11,221
Kenora	14	832	1,384	9,543
Manitoulin	0	128	13	1,195
Nipissing	150	460	735	8,378
Parry Sound	70	165	405	2,777
Rainy River	66	219	238	2,577
Sudbury	19	88	80	1,485
Thunder Bay	212	4,599	5,664	25,818
Timiskaming	0	162	275	4,775
Total	709	11,443	16,737	86,421
PROVINCIAL TOTAL	39,208	129,995	116,706	1,255,914

Capital Fund Applications

Table 5
(Concluded)

	In Year Balance	Accumulated Balance
	\$000	\$000
Regions		
Metropolitan Toronto	(20,471)	(4,127)
Durham	(2,675)	2,998
Haldimand-Norfolk	(1,251)	1,728
Halton	(3,020)	3,872
Hamilton-Wentworth	20,908	(8,605)
Niagara	5,602	14,308
Ottawa-Carleton	(31,916)	14,267
Peel	19,368	4,325
Sudbury	(5,644)	6,771
Waterloo	(1,515)	2,340
York	(2,550)	1,805
Muskoka	135	1,489
Oxford	2,642	7,560
Total	(20,387)	48,731
Counties		
Brant	3,761	10,614
Bruce	(572)	587
Dufferin	283	1,254
Elgin	1,453	2,798
Essex	2,430	19,133
Frontenac	(2,419)	6,126
Grey	782	3,340
Haliburton	39	200
Hastings	2,829	4,498
Huron	369	1,604
Kent	988	6,674
Lambton	1,010	6,209
Lanark	140	526
Leeds and Grenville	(390)	2,437
Lennox and Addington	(201)	1,061
Middlesex	(1,548)	(2,612)
Northumberland	(661)	1,119
Perth	(122)	1,275
Peterborough	(104)	3,494
Prescott and Russell	511	2,580
Prince Edward	284	354
Renfrew	889	2,119
Simcoe	3,894	6,808
Stormont, Dundas and Glengarry	(4,236)	2,352
Victoria	(249)	548
Wellington	(1,662)	3,668
Total	7,498	88,766
Districts		
Algoma	(172)	3,296
Cochrane	546	1,096
Kenora	963	1,725
Manitoulin	352	660
Nipissing	956	4,750
Parry Sound	(382)	(217)
Rainy River	66	413
Sudbury	(566)	584
Thunder Bay	(6,039)	2,190
Timiskaming	(244)	210
Total	(4,520)	14,707
PROVINCIAL TOTAL	(17,409)	152,204

Municipal Debt

Table 6

	Long Term Debt Outstanding	Debt Charges	Debt Charges as a Percent of Revenue Fund Expenditure
	\$000	\$000	%
Regions			
Metropolitan Toronto	1,063,683	186,301	10.7
Durham	112,488	11,248	7.5
Haldimand-Norfolk	20,738	2,321	5.6
Halton	90,027	10,512	9.3
Hamilton-Wentworth	147,035	23,442	9.1
Niagara	136,311	17,695	9.3
Ottawa-Carleton	313,376	44,896	10.4
Peel	140,517	20,575	9.5
Sudbury	77,969	11,597	10.7
Waterloo	49,763	10,008	5.5
York	44,301	5,984	5.8
Muskoka	5,142	835	4.2
Oxford	24,393	3,669	9.0
Total	2,225,743	349,083	9.8
Counties			
Brant	12,924	2,378	4.4
Bruce	14,892	1,824	5.9
Dufferin	3,703	715	5.6
Elgin	14,796	2,635	8.7
Essex	131,399	18,625	10.3
Frontenac	32,816	4,099	7.4
Grey	10,053	1,741	4.8
Haliburton	904	147	2.0
Hastings	19,496	3,491	6.8
Huron	17,671	2,423	7.6
Kent	42,291	6,249	11.3
Lambton	51,114	7,782	11.2
Lanark	3,486	1,134	4.6
Leeds and Grenville	16,546	2,703	8.2
Lennox and Addington	5,661	971	6.9
Middlesex	79,214	14,314	9.3
Northumberland	9,152	1,385	6.4
Perth	14,513	2,464	7.9
Peterborough	24,285	4,197	8.8
Prescott and Russell	10,913	1,523	6.3
Prince Edward	2,073	305	4.1
Renfrew	13,856	1,892	4.9
Simcoe	40,243	5,411	6.4
Stormont, Dundas and Glengarry	45,561	5,575	9.9
Victoria	4,661	629	3.3
Wellington	27,538	3,860	6.8
Total	649,761	98,472	8.1
Districts			
Algoma	29,639	5,597	7.7
Cochrane	19,406	3,402	7.0
Kenora	6,021	1,114	3.9
Manitoulin	501	97	1.9
Nipissing	26,755	3,552	8.6
Parry Sound	2,487	378	2.5
Rainy River	2,839	529	3.6
Sudbury	1,984	248	2.6
Thunder Bay	56,753	5,568	5.6
Timiskaming	5,322	914	4.1
Total	151,707	21,381	5.9
PROVINCIAL TOTAL	3,027,211	468,936	9.1

Appendix B

Classification of Municipalities by Sector

1. *Classification of Municipalities by Sector*

(a) *Metro*

Metropolitan Toronto and its six constituent municipalities.

(b) *Regions*

All upper and lower tier municipalities in Regions of Durham, Haldimand-Norfolk, Halton, Hamilton-Wentworth, Niagara, Ottawa-Carleton, Peel, Sudbury, Waterloo and York.

District of Muskoka.

Restructured County of Oxford.

(c) *Cities South*

All cities outside restructured two tier areas: Barrie, Belleville, Brantford, Brockville, Chatham, Cornwall, Guelph, Kingston, London, Orillia, Owen Sound, Pembroke, Peterborough, Sarnia, Stratford, St. Thomas, and Windsor.

(d) *Cities North*

All Cities outside the Region of Sudbury: North Bay, Sault Ste. Marie, Thunder Bay and Timmins.

(e) *Rural South*

Separated towns, all counties (except Oxford), and all municipalities which support them.

(f) *Rural North*

All municipalities in Northern Ontario except municipalities in (b) and (d) above.

